

## **Exhibit A**

# *Agreement*

**Between**

**DELPHI  
CORPORATION**

**and the**

**UAW**

**DELPHI**



**September 18, 2003**

**(Effective October 6, 2003)**

**I.36.1**

member of the committee that the Chairperson may designate to investigate such a claim in the Chairperson's place, shall receive pay from the Corporation based solely upon any activity arising pursuant to this paragraph.

The grievance and arbitration procedure shall be the exclusive contractual procedure for remedying such discrimination claims.

[See Par. (37)]

[See App. H]

[See Doc. 30,31,32,33,99,107,121]

(7) The Union agrees that neither the Union nor its members will intimidate or coerce employees in respect to their right to work or in respect to Union activity or membership, and further that there shall be no solicitation of employees for Union membership or dues during working time. The Union further agrees that the Corporation shall take disciplinary action for any violations of this provision.

(8) The right to hire; promote; discharge or discipline for cause; and to maintain discipline and efficiency of employees, is the sole responsibility of the Corporation except that Union members shall not be discriminated against as such. In addition, the products to be manufactured, the location of the plants, the schedules of production, the methods, processes and means of manufacturing are solely and exclusively the responsibility of the Corporation.

## **REPRESENTATION**

(9) The Union shall be represented in each bargaining unit as follows:

In the ratio of not to exceed one district committeeperson for each two hundred and fifty employees covered by this Agreement except that in plants of five hundred or less employees there may be three committeepersons; in plants of five hundred to one thousand employees there may be five

committeepersons; in plants of one thousand to fifteen hundred there may be seven committeepersons. Any deviation from these rules to cover special conditions in any plant will be negotiated between the Corporation and the International Officers of the Union.

### **District Committeepersons**

(10) Each bargaining unit will be districted by agreement between the Local Plant Management and the Shop Committee so that insofar as practicable each district on each shift shall contain approximately two hundred and fifty employees. Each committeeperson shall have a definitely defined district. The members of the Union in each such district shall select a committeeperson who is working in that district to represent the employees in that district. An alternate district committeeperson in each district, whose duties shall be the same as those of the regular district committeeperson for that district while the regular committeeperson is absent from the plant, may be selected by the members of the Union. The total number of employees receiving a regular payroll check for work performed (plus employees who did not receive a regular payroll check who are on an approved vacation or leave of absence pursuant to Paragraphs 103 and 109 - short term) during a week representative of normal operations, mutually selected by the Plant Management and Shop Committee, will be the number used for redistricting. Plants shall be redistricted not more frequently than at six-month intervals, upon request of either the Plant Management or Shop Committee, when there is a change in the number of employees equal to two hundred and fifty or five percent, whichever is greater. Thereafter, redistricting shall be accomplished within twenty working days of such request.

### **Shop Committees**

(11) The Shop Committees in the plants covered



hereby shall be as follows, except in plants up to 5000 employees the Union has the option of selecting plan A or plan B where applicable:

Employment In Plant		Number Districts in Plant	Shop Committee Consists of		Total Shop Com- mittee- persons
			District Com- mittee- persons	Shop Com- mittee- persons at Large	
Up to 51		2	2	0	2
51 to 500	{ Plan A	3	3	0	3
	{ Plan B	2	2	1	3
500 to 1000	{ Plan A	5	5	0	5
	{ Plan B	4	4	1	5
1000 to 1500	{ Plan A	7	7	0	7
	{ Plan B	6	6	1	7
1500 to 2500	{ Plan A	6 to 10	7	0	7
	{ Plan B	6 to 10	5	2	7
2500 to 3500	{ Plan A	10 to 14	5	2	7
	{ Plan B	10 to 14	4	3	7
3500 to 5000	{ Plan A	14 to 20	4	3	7
	{ Plan B	14 to 20	3	4	7
5000 to 7000		20 to 28	0	7	7
7001 to 9250		29 to 37	0	8	8
9251 to 10,500		38 to 42	0	9	9
10,501 to 11,750		43 to 47	0	10	10
11,751 to 13,000		48 to 52	0	11	11
13,001 and up		53 & over	0	12	12

(12) In plants in which one or more members of the Shop Committee is elected at large, one of such members shall be the Chairperson of the Shop Committee.

(13) Each member of the Shop Committee elected at large shall have a definitely defined zone as may be agreed upon between the Shop Committee and the Plant Management. Where the Chairperson of the Shop Committee is elected at large, the entire plant shall constitute the Chairperson's zone. In the event a committeeperson is requested in a district at a time when both the district committeeperson and the alternate are absent from the plant, the zone committeeperson for the zone in which such district is located will be called

to handle the complaint. In the event the zone committeeperson is also absent from the plant, the Chairperson of the Shop Committee will be called.

(14) In the larger plants, by agreement between the Plant Management and Shop Committee, a subcommittee made up of not less than two nor more than six of the district committeepersons in a subdivision of the plant may be formed to meet with the representatives of Management in charge of such plant subdivision. A member of the Shop Committee for that zone may participate in such meeting. Grievances not settled by them may be referred to the Shop Committee as a whole for appeal to highest Local Plant Management.

#### **Meetings of Shop Committees**

(15) Each plant shall have a regularly scheduled meeting between representatives of the Local Management and the Shop Committee weekly, unless otherwise agreed between the Local Management and the Shop Committee to extend the time between meetings, at a time to be mutually agreed upon between the Committee and the Local Management. Emergency meetings will be arranged by mutual agreement. Regularly scheduled meetings should not be cancelled or rescheduled except where necessary.

#### **Employment and Job Status of Committeepersons (District, Zone, and Chairpersons of Shop Committees)**

(16) Committeepersons will be employed as full-time Union representatives during their scheduled working hours. They will function for the purpose of adjusting grievances in accordance with the Grievance Procedure and for other legitimate representation functions. Committeepersons will carry out their duties and functions as Union representatives in accordance with the chart set out below:

Purpose	District Com- mittee- persons	Members of Shop Committee		
		Who are also District Com- mittee- persons	Who are not District Com- mittee persons	Chair- persons of Shop Com- mittees
Handle Grievances as provided in Par. (29) of Grievance Procedure	In their respec- tive districts	In their respec- tive districts	None	None
Handle Appealed Grievances with higher supervision as provided in Par. (30) of Grievance Procedure	According to agreed local practice			
Investigate Griev- ances Appealed to Shop Committee as provided in Par. (33) of Grievance Procedure	None	In any district	In any district (1)	In any district
Meetings with Management	None	On Meeting Days (4)		
Handle other legiti- mate representation functions. (2)	In their respec- tive districts	In their respec- tive districts	In their respec- tive zones (3)	In any district or zone

- (1) As a general rule, such committeepersons will not be assigned to investigate appealed grievances in zones other than their own.
- (2) Other legitimate representation functions are defined as normal in-plant activities pertaining to the administration of the National Agreement and written local agreements including, but not limited to, participation in joint programs such as health and safety programs, product quality initiatives, skill development activities, etc.; and, provided such activities do not interfere with the work of other employees, supervision or the efficiency of operations.
- (3) Or in another zone when designated by the Chairperson if the regular Zone Committeeperson for that Zone is absent from the plant.
- (4) Shop Committeepersons attending Management-Shop Committee meetings on shifts other than their regular shift will be paid for time spent in such meetings, with the understanding that their total hours paid for the day in question will not exceed their regularly scheduled shift hours for that day and such changes in shift hours for this purpose will not result in the payment of overtime premium [pursuant to Paragraph (85)(a)]. It is further understood that the above will not result in any increase in representation being furnished as a result of the Zone Committeepersons not working a full shift on their regular shift.

[See App. I]

(17) Individuals shall not be eligible to serve as committeepersons unless they are employees and until their names have been placed on the seniority list and they are working in the plant.

[See Par (23a)]

[See App. I]

[See Doc. 7]

(18) It is mutually agreed that the prompt adjustment of grievances is desirable in the interest of sound relations between the employees and the Management.

[See Par. (5),(34)]

[See App. I]

[See Doc. 5,44,45,48]

(19) The prompt and fair disposition of grievances involves important and equal obligations and responsibilities, both joint and independent, on the part of representatives of each party to protect and preserve the grievance procedure as an orderly means of resolving legitimate grievances.

Committeepersons acting properly in their official capacity should be free from orders by supervision which, if carried out, would impair the orderly investigation and presentation of grievances. Actions which tend to impair or weaken the grievance procedure, whenever they occur or in whatever manner or form, are improper.

Committeepersons have a responsibility to the Union and the employees they represent to conduct themselves in a businesslike manner and shall conform to the shop rules. The normal standard of conduct applicable to all employees shall be applied to committeepersons.

[See Par. (5)]

[See Doc. 7,44,45]

(20) Upon entering a department in the fulfillment

of their duties, committeepersons shall notify the supervisor of that department of their presence and purpose or give the supervisor a copy of the written complaint if one has not already been provided.

(20a) In the event an employee requests representation under Paragraph 29 prior to being notified of a temporary transfer to another district, the committeeperson for the employee's regular district may respond to the request, providing the districts involved are in reasonable proximity and there is no change of shift.

(21) For the purposes of representation in handling grievances and performing other legitimate representation functions as provided herein, committeepersons will be scheduled to report at the plant as follows:

1. All regular hours up to eight that their district or zone is scheduled to operate, on their respective shifts.

2. Other than regular hours (including overtime, part time or temporary layoffs, shutdown for model change, inventory or plant rearrangement) when ten (10) or more of the people they normally represent are working in their district or zone on their respective shift. Employees on continuous seven-day operations or operations manned by rotating or alternating shifts will not be considered in applying this provision.

When district committeepersons who would be scheduled to report during overtime hours, as provided herein, advise Management in advance that they will be absent during such hours, Management will schedule the alternate committeepersons for those districts to report. If committeepersons have been scheduled to report and fail to inform Management that they will not be at work,

Management will not be responsible for calling the alternate committeeperson.

[See Doc. 7]

(21a) The shift starting and ending time for committeepersons will be the starting and ending time of the majority of the employees they represent. The provisions of this Representation Section do not require that Committeepersons be called earlier than their regular starting times because some employees in their districts start work earlier than their starting times or be given overtime when some employees in their districts start and quit later than their regular shift hours.

[See Doc. 7]

(21b) Any problem arising under or not covered by the above provisions, including representation for shifts comprising fewer than 250 employees, shall be subject to local negotiations with the Plant Management, with the right of appeal under the Grievance Procedure. If the problem is not resolved through local negotiations, it may be raised by the General Motors Department of the International Union directly with the Corporation's Labor Relations Staff.

(21c) In the event of a reduction in force:

Committeepersons (including Chairpersons of Shop Committees, Zone and District Committeepersons) shall be retained regardless of seniority as long as any employees whom they represent are retained at work in their district or zone.

Alternate committeepersons shall, at the point they would be subject to being removed from their respective district, be retained on a job they can do that is operating in their district. If after complying with all of the terms of this Agreement, alternate committeepersons are laid off, they will be the first to be recalled in their regular

groups when work starts in those groups on their own jobs or on other jobs in their districts that they can do.

[See Doc. 7]

(22) Committeepersons shall enter and remain in the plant only on their respective shifts unless otherwise agreed to by the Plant Management. They shall be paid at their regular rate for the time spent in the plant on their respective shifts as provided in this Representation Section.

[See App. I]

[See Doc. 7]

(22a) Committeepersons shall establish a regular rate equal to their regular straight time hourly rate, as of the time they assumed their duties as Committeepersons.

This rate shall be adjusted in accordance with any adjustments made in the rate for the classification the Committeeperson then held.

When provisions of the Local Seniority Agreement entitle committeepersons to return to their former groups on higher rated jobs, their rates will be adjusted in accordance with such provisions. Also Committeepersons are eligible for promotion to higher rated jobs in their District or Zone in accordance with Paragraphs (63)(a)(1), (63)(a)(2) or (63)(b) provided they are the most senior applicant and they are capable of doing the job.

[See Doc. 7]

(22b) All Committeepersons shall ring in and out, or otherwise account for their time, in the manner required by the Local Management. Problems regarding the administration of this provision may be referred directly to the General Motors Department of the International Union and the Delphi Labor Relations Staff for resolution.

[See Doc. 7]

writing and the employee who signed the grievance is subsequently replaced by another employee and if, thereafter, additional work is added to the job without any other change having occurred which affects the job, the District Committeeperson may initiate a grievance alleging that the additional work constitutes a violation of the settlement.

[See Par. (46)]  
[See Doc. 52,55]

### **CALL-IN PAY**

(80) Any employee called to work or permitted to come to work without having been properly notified that there will be no work, shall receive a minimum of four hours' pay at the regular hourly rate, except in cases of labor disputes, or other conditions beyond the control of the Local Management.

[See Par. (101)(i)]  
[See Doc. 84]

### **WORKING HOURS**

#### **(For the purposes of computing overtime premium pay)**

[See Par. (71),(101)(i),(127)(d)(3)]  
[See Memo-Overtime]  
[See Doc. 83]

(81) For the purpose of computing overtime premium pay, the regular working day is eight hours and the regular working week is forty hours.

(82) Employees will be compensated on the basis of the calendar day (midnight to midnight) on which their shift starts working, for the regular working hours of that shift. Their working week shall be a calendar week beginning on Monday at the regular starting time of the shift to which they are assigned.

[See Par. (87)(1)]  
[See App. K, Att.B(12)]  
[See Doc. 2]  
[See CSA #11]



(83) Hourly employees will be compensated as follows:

### **Straight Time**

(84)(a) For the first eight hours worked in any continuous twenty-four hour period, beginning with the starting time of the employee's shift.

(b) For the first forty hours worked in the employee's working week, less all time for which daily, Saturday, Sunday or holiday overtime has been earned.

(c) For time worked during the regular working hours of any shift which starts on the day before and continues into a specified holiday or a Saturday.

### **Time and One-Half**

[See Doc. 1,4]

(85)(a) For time worked in excess of eight hours in any continuous twenty-four hours, beginning with the starting time of the employee's shift, except if such time is worked on a Sunday or holiday when double time will be paid as provided below.

(b) For time worked in excess of forty hours in the employee's working week, less all time for which daily, Saturday, Sunday or holiday overtime has been earned.

(c) For time worked on any shift which starts on Saturday.

### **Double Time**

(86) For time worked during the first eight (8) hours worked on any shifts that start on Sundays and on each holiday specified in Paragraph (203); for time worked on the calendar Sunday or specified holiday in excess of the first eight (8) hours worked on any shift that starts on Sunday or one of the specified holidays;

and for time worked on a Sunday or specified holiday in excess of eight (8) hours worked on a shift which starts the previous day and runs over into Sunday or one of the specified holidays.

[See Par. (213)]

[See Doc. 2,3,4]

[See CSA #11]

### **Exceptions to Above Overtime Payment**

(87) Employees working in necessary continuous seven-day operations whose occupations involve work on Saturdays and Sundays shall be paid time and one-half for work on these days only for time worked in excess of eight hours per day or in excess of forty hours in the employee's working week, for which overtime has not already been earned, except as otherwise provided in paragraph (1) below:

[See Par. (206)]

(1) Such employees shall be paid time and one-half for hours worked on the employee's sixth work day in the week.

[See Par. (82)]

(2) Such employees shall be paid double time for hours worked on the 7th work day in the calendar week if the 7th work day results from being required to work on their scheduled off day(s) in that calendar week, or for hours worked on a Sunday if that Sunday is their second scheduled off day in that calendar week.

(3) Such employees will be paid double time and one-half (2.50 times straight time) for the first eight (8) hours worked on any shift that starts on any of the holidays listed in Paragraph (203); for time worked on the calendar holiday in excess of the first eight (8) hours worked on any shift that starts on any such holiday; and for time worked on the calendar holiday in excess of eight (8) hours worked on a shift which starts the previous day and runs over into any such holiday;

provided, however, that if the particular holiday falls on their regularly scheduled off day(s) and they receive holiday pay pursuant to Paragraph (206) of this Agreement, they will be paid double time instead of double time and one-half for such hours worked. In the case of the employees who work 6 or 7 days during the work week, the first 8 hours worked at double time and one-half or double time, as the case may be, on shifts starting on such holidays shall be counted in computing overtime for work in excess of 40 hours in their working week.

(4) Such employees will be paid time and one-quarter (1.25 times straight time) for hours worked on the 7th work day in the calendar week, unless such hours are payable at an overtime premium rate under any other provision of this Agreement.

(5) If such employees receive holiday pay pursuant to Paragraph (206) for a particular holiday on which they do not work, that holiday will be counted as a day worked for the purpose of computing sixth or seventh day premium under sub-paragraphs (1), (2), and (4) above.

(6) Such employees shall be paid an additional thirty cents (30¢) per hour for time worked, which shall be included in computing vacation entitlement pay, Independence Week Shutdown pay, holiday pay, bereavement pay, jury duty pay, short-term military duty pay, overtime and night shift premium.

Premium payments shall not be duplicated for the same hours worked under any of the terms of this Section.

### **Change in Shift Hours**

(88) Any change in the established shift hours or lunch period shall be first discussed with the Shop Committee as far in advance as possible of any such change; however, if the length of an employee's

established lunch period is extended on a temporary basis for a given day, the net amount of time by which the lunch period is so extended shall be considered as time worked for that day. Complaints of repeated violations of this paragraph will be handled under the provisions of Paragraph 5(a) of the National Agreement. For the purposes of this Special Procedure only, prior to being referred from the plant, the problem will be discussed between the Shop Committee, the Regional Servicing Representative, the Plant Manager and the Plant Personnel Director.

[See Doc. 79]

### Night Shift Premiums

(89) A night shift premium on night shift earnings, including overtime premium pay, will be paid to employees for time worked on shifts scheduled to start in accordance with the following chart:

Schedule Shift Starting Time	Amount of Regular Shift Premium	Amount of Conditional Shift Premium
(1) On or after 11:00 a.m. and before 7:00 p.m.	Five percent	Ten percent for all hours worked after 12 midnight when such employee is scheduled to work more than nine (9) hours and until or beyond 2:00 a.m.
(2) On or after 7:00 p.m. and on or before 4:45 a.m.	Ten percent	
(3) After 4:45 a.m. and before 6:00 a.m.	Ten percent until 7:00 a.m.	
(4) On or after 6:00 a.m. and before 11:00 a.m.	None	Five percent for all hours worked in excess of eight (8) when such employee is scheduled to work twelve (12) or more hours.

In applying the above night shift premium provisions, employees shall be paid the premium rate, if any, which attaches to the shift they work on a particular day.

[See Par. (87)(6),(101)(i),(205)-(205a)]

### **Special Three-Shift Operations**

(89a) This paragraph is not intended to change any present practice, or preclude the readoption of a prior practice, whereby it is possible to schedule certain operations on a three-shift, eight hours of work per shift basis with special provisions for lunch. Where it is not possible or practicable on three-shift operations to establish schedules of 8 hours of work each shift, work shifts will be established on the basis of arrangements for a lunch period not in excess of 20 minutes being provided during the shift period without loss of pay.

The above provisions shall not preclude necessary temporary variations in schedules.

The above provisions shall not be applicable in any plant located in a state wherein a statute or administrative ruling requires the granting or establishment of lunch or meal periods of more than 20 minutes.

[See Doc. 85]

[See CSA #11]

### **WAGE PAYMENT PLANS**

(90) Wage payment plans are a matter of local negotiation between the Plant Managements and the Shop Committees, subject to appeal in accordance with the Grievance Procedure.

[See Par. (46),(97)]

(91) *(This paragraph was deleted during 1993 National Negotiations.)*

National and/or local training funds will be used to support the efforts required to provide the above assistance.

[See App. A]

## WAGES

(97) The establishment of wage scales for each operation is necessarily a matter for local negotiation and agreement between the Plant Managements and the Shop Committees.

[See Par. (46),(89a),(90)]

[See Doc. 85]

[See CSA #11]

(98) New employees hired on or after the effective date of this Agreement, who do not hold a seniority date in any Delphi Corporation plant and are not covered by the provisions of Paragraph (98b) below, shall be hired at a rate equal to seventy (70) percent of the maximum base rate of the job classification. Such employees shall receive an automatic increase to:

[See Par. (99),(101)(g)]

[See Doc. 87]

[See CSA #10]

(1) seventy-five (75) percent of the maximum base rate of the job classification at the expiration of twenty-six (26) weeks.

(2) eighty (80) percent of the maximum base rate of the job classification at the expiration of fifty-two (52) weeks.

(3) eighty-five (85) percent of the maximum base rate of the job classification at the expiration of seventy-eight (78) weeks.

(4) ninety (90) percent of the maximum base rate of the job classification at the expiration of one hundred and four (104) weeks.

(5) ninety-five (95) percent of the maximum

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base rate of the job classification at the expiration of one hundred and thirty (130) weeks.

(6) the maximum base rate of the job classification at the expiration of one hundred and fifty-six (156) weeks.

Such an employee who is laid off prior to acquiring seniority and who is re-employed at that plant within one year from the last day worked prior to layoff shall receive a rate upon re-employment which has the same relative position to the maximum base rate of the job classification as had been attained by the employee prior to layoff. Upon such re-employment, the credited rate progression period of an employee's prior period of employment at that plant shall be applied toward their rate progression to the maximum base rate of the job classification.

For the purpose of applying the provisions of this Paragraph (98), (98a), and (98b) only, an employee will receive one week's credit toward acquiring the maximum base rate of the job classification provided the employee had worked in that given week. Credit will not be given for any week during which for any reason, the employee does not work except as provided in Paragraph (108) and when the Christmas Holiday consists of a full week and the Independence Week Shutdown, provided the employee would otherwise have been scheduled to work. Notwithstanding other provisions of this Agreement, full weeks of time lost for vacation during the Plant Vacation Shutdown Week, bereavement, military duty and Family Medical Leave Act, if the employee would otherwise have been scheduled to work, will be considered as time worked. Each increase shall be effective at the beginning of the first pay period following the completion of the required number of weeks of employment.

(98a) Laid-off seniority employees hired in a job classification other than skilled trades, shall receive a

base rate upon re-employment which has the same relative position to the maximum base rate of the job classification they had attained prior to layoff from their former Delphi Corporation plant. Such employees shall continue to be covered by the rate progression provisions in effect during their prior Delphi Corporation employment. Upon such re-employment, the credited rate progression period of the employees' prior period of employment at their former Delphi Corporation plant shall be applied toward their rate progression to the maximum base rate of the job classification.

[See Par. (99),(101)(g)]

[See CSA #10]

**(98b)** New employees rehired under the provisions of Paragraph (64)(e) or (64)(f)(3) on or after the effective date of this Agreement, shall receive a base rate upon re-employment which has the same relative position to the maximum base rate of the job classification they had attained in their prior Delphi Corporation employment. Such employees shall continue to be covered by the rate progression provisions in effect during their prior Delphi Corporation employment. Upon such re-employment, the credited rate progression period of the employees' prior period of employment at Delphi Corporation shall be applied toward their rate progression to the maximum base rate of the job classification.

[See Par. (99),(101)(g)]

[See CSA #10]

**(99)** The foregoing Paragraph (98), (98a), and (98b), shall not apply to job classifications covered by the Skilled Trades section of this Agreement.

[See Par. (119)-(183)(e)]

**(99a)** Laid-off seniority employees hired in a secondary plant pursuant to Appendix A for the same skilled trades work they performed in their base plant, shall be hired at a rate which is in the same position in cents per hour relative to the maximum rate of the classification in the secondary plant as the rate they



were receiving at their base plant was to the maximum rate at that plant, but not more than the maximum rate of the classification in the secondary plant.

[See Par. (181a)]

(100) It is understood that local wage agreements consist of the wage scale by job classifications as were in effect in the local wage agreements as of the effective date of this Agreement, plus any written changes, additions or supplements thereto. Any changes, additions or supplements thereto shall be reduced to writing and are subject to the approval of the Corporation and the International Union.

[See Par. (102),(220)]

[See CSA #9,#10]

(101)(a)(1) General Increases. Effective September 19, 2005, each employee covered by this agreement shall receive a wage increase in the employee's straight time hourly wage rate (exclusive of cost of living allowance, shift premium, seven-day operations premium, and any other premiums), in accordance with the following table:

**Straight Time**

**Hourly**

<b>Wage Rates</b>	<b>Wage Increases</b>
<u>Up thru - 25.25</u>	<u>.50¢</u>
<u>25.25 - 25.74</u>	<u>.51¢</u>
<u>25.75 - 26.24</u>	<u>.52¢</u>
<u>26.25 - 26.74</u>	<u>.53¢</u>
<u>26.75 - 27.24</u>	<u>.54¢</u>
<u>27.25 - 27.74</u>	<u>.55¢</u>
<u>27.75 - 28.24</u>	<u>.56¢</u>
<u>28.25 - 28.74</u>	<u>.57¢</u>
<u>28.75 - 29.24</u>	<u>.58¢</u>
<u>29.25 - 29.74</u>	<u>.59¢</u>
<u>29.75 - 30.24</u>	<u>.60¢</u>
<u>30.25 - 30.74</u>	<u>.61¢</u>
<u>30.75 - 31.24</u>	<u>.62¢</u>
<u>31.25 - 31.74</u>	<u>.63¢</u>

<u>31.75 - 32.24</u>	<u>.....64¢</u>
<u>32.25 - 32.74</u>	<u>.....65¢</u>
<u>32.75 - 33.24</u>	<u>.....66¢</u>
<u>33.25 - 33.74</u>	<u>.....67¢</u>
<u>33.75 - 34.24</u>	<u>.....68¢</u>
<u>34.25 - 34.74</u>	<u>.....69¢</u>
<u>34.75 - 35.24</u>	<u>.....70¢</u>
<u>35.25 - 35.74</u>	<u>.....71¢</u>

NOTE: In the case of a classification, the rate for which is determined by a wage rule in the Local Wage Agreement relating the rate for the classification to the rate for another classification or classifications, the above table will determine the rate for the classification where there is a conflict with such wage rule.

[See Par. (101)(c),(101)(g)]

[See CSA #16]

(101)(a)(2) Effective September 18, 2006, each employee covered by this agreement shall receive a wage increase in the employee's straight time hourly wage rate (exclusive of cost-of-living allowance, shift premium, seven-day operations premium, and any other premiums), in accordance with the following table:

**Table II**

<b>Straight Time Hourly Wage Rate</b>	<b>Improvement Factor Increase</b>
<u>Less than - \$25.50</u>	<u>.....76¢</u>
<u>25.50 - 25.83</u>	<u>.....77¢</u>
<u>25.84 - 26.16</u>	<u>.....78¢</u>
<u>26.17 - 26.49</u>	<u>.....79¢</u>
<u>26.50 - 26.83</u>	<u>.....80¢</u>
<u>26.84 - 27.16</u>	<u>.....81¢</u>
<u>27.17 - 27.49</u>	<u>.....82¢</u>
<u>27.50 - 27.83</u>	<u>.....83¢</u>
<u>27.84 - 28.16</u>	<u>.....84¢</u>
<u>28.17 - 28.49</u>	<u>.....85¢</u>

28.50 - 28.83	.86¢
28.84 - 29.16	.87¢
29.17 - 29.49	.88¢
29.50 - 29.83	.89¢
29.84 - 30.16	.90¢
30.17 - 30.49	.91¢
30.50 - 30.83	.92¢
30.84 - 31.16	.93¢
31.17 - 31.49	.94¢
31.50 - 31.83	.95¢
31.84 - 32.16	.96¢
32.17 - 32.49	.97¢
32.50 - 32.83	.98¢
32.84 - 33.16	.99¢
33.17 - 33.49	\$1.00
33.50 - 33.83	\$1.01
33.84 - 34.16	\$1.02
34.17 - 34.49	\$1.03
34.50 - 34.83	\$1.04
34.84 - 35.16	\$1.05
35.17 - 35.49	\$1.06
35.50 - 35.83	\$1.07
35.84 - 36.16	\$1.08
36.17 - 36.49	\$1.09

NOTE: In the case of a classification, the rate for which is determined by a wage rule in the Local Wage Agreement relating the rate for the classification to the rate for another classification or classifications, the above table will determine the rate for the classification where there is a conflict with such a wage rule.

[See Par. (101)(c),(101)(g)]

[See CSA #16]

(101)(a)(3) Effective September 15, 2003, each employee in a skilled trades job classification which qualifies for journeyman/woman status under the provisions of Paragraph (178) of this Agreement shall receive a tool allowance adjustment of thirty cents (30¢)

per hour added to the base rate, except each employee in a "Skilled" Apprentice job classification shall receive that wage increase, if any, which is applicable in accordance with the provisions of the Apprentice Rate Schedule set forth in Paragraph (151) of the Agreement.

[See Par. (178),(151)]

(101)(b) Performance Bonus Payments. The Performance Bonus provided herein recognizes that a continuing improvement in the standard of living of employees depend upon technological progress, better tools, methods, processes and equipment, and a cooperative attitude on the part of all parties in such progress. It further recognizes the principle that to produce more with the same amount of human effort is a sound economic and social objective. Accordingly, a Performance Bonus payment will be made to each eligible employee in accordance with the following table:

<u>Eligibility Date</u>	<u>Amount</u>	<u>Payable During Week Ending</u>
<u>September 20, 2004</u>	<u>Three percent (3%) of Qualified Earnings</u>	<u>October 17, 2004</u>

An employee shall become eligible for a Performance Bonus payment as hereinafter defined, provided an employee has seniority as of the designated eligibility date set forth above.

An employee's Performance Bonus will be based on the qualified earnings during the 52 consecutive pay periods immediately preceding the pay period in which each designated eligibility date falls.

Qualified Earnings, as used herein, are defined as income received by an eligible employee from Delphi Corporation during each designated Performance Bonus eligibility year resulting from the following:

Hourly Base Wages\*  
COLA\*  
Shift Premium\*  
Vacation Entitlement  
Holiday Pay  
Independence Week Shutdown Pay  
Seven-Day Operator Premium  
Bereavement Pay  
Jury Duty Pay  
Apprentice Pay  
Call-In Pay  
Short Term Military Duty Pay  
Back pay awards related to the designated  
eligibility year.

\* Including overtime, Saturday, Sunday, and  
Holiday premium payments

[See Par. (101)(b)(1-2)]

[See CSA #20]

(101)(b)(1) An employee who retires during the  
Performance Bonus eligibility year provided in (101)(b)  
and who, but for such retirement, would have had  
seniority as of the designated eligibility date, shall qualify  
for the Performance Bonus as defined in (101)(b).

(101)(b)(2) In the case of employees who die during  
the Performance Bonus eligibility year, a Performance  
Bonus shall become payable as if they were seniority  
employees on the designated eligibility date and  
calculated based on their Qualified Earnings during the  
eligibility year as defined in (101)(b) above. Such  
Performance Bonus shall be paid to their duly appointed  
legal representatives, if there be one, and, if not, to the  
spouses, parents, children or other relatives or  
dependents of such persons as the Corporation in its  
discretion may determine.

(101)(c) The increases in base rates provided for in  
Paragraphs (101)(a)(1) and (101)(a)(2) shall be added to

the wage rates (minimum, intermediary and maximum) for each classification.

(101)(d) Cost of Living Allowance. Each employee covered by this Agreement shall receive a Cost of Living Allowance in accordance with the provisions of Paragraphs (101)(g) and (101)(h).

It is agreed that only the Cost of Living Allowance will be subject to reduction so that, if a sufficient decline in the cost of living occurs, employees will immediately enjoy a better standard of living.

[See Par. (101)(e)]

[See Doc. 87]

(101)(e) The Cost of Living Allowance provided for in Paragraph (101)(d) shall be added to each employee's hourly wage rate and will be adjusted up or down as provided in Paragraphs (101)(g) and (101)(h).

(101)(f) The Cost of Living Allowance will be determined in accordance with changes in the official Consumer Price Index for Urban Wage Earners and Clerical Workers (current series), (CPI-W) (for all items, less medical care, not seasonally adjusted) (United States City Average) published by the Bureau of Labor Statistics (1982 - 1984 = 100).

[See Doc. 87]

(101)(g) Effective with the date of this Agreement, \$2.00 shall be deducted from the \$2.05 Cost of Living Allowance in effect immediately prior to that date and \$2.00 shall be added to the base wage rates (minimum, intermediary and maximum) for each classification in effect on that date, for pay calculation purposes. Thereafter, during the period of this Agreement, adjustments in the Cost of Living Allowance shall be made at the following times:

im)

**Effective Date  
of Adjustment:**

**Based  
Upon Three-  
Month Average of  
the Consumer Price  
Index For:**

'ee  
of  
of

December 1, 2003 . . . . . August, September, October,  
2003

de  
le  
y

First pay period . . . . . November, December, 2003  
beginning on or after and January, 2004 and at three-  
March 1, 2004 and at calendar month intervals  
three calendar month thereafter to February, March  
intervals thereafter April, 2007.  
to June 4, 2007

In determining the three-month average of the  
Indexes for a specified period, the computed average  
shall be rounded to the nearest 0.01 Index Point.

In no event will a decline in the three-month average  
Consumer Price Index below 174.12 provide the basis  
for a reduction in the wage scale by job classification.

[See Par. (101)(d),(101)(e),(101)(h)]

[See Par. (101)(j),(101)(k),(190)]

[See CSA #10]

(101)(h) The amount of the Cost of Living  
Allowance shall be five cents (5¢) per hour effective  
with the effective date of this Agreement and ending  
November 30, 2003. Effective December 1, 2003 and  
for any period thereafter as provided in Paragraphs  
(101)(d) and (101)(g), the Cost of Living Allowance  
shall be in accordance with the following table:

Three-Month Average Consumer Price Index	Cost of Living Allowance
<u>174.12 or less</u> . . . . .	None
<u>174.13 - 174.20</u> . . . . .	1¢ per hour
<u>174.21 - 174.28</u> . . . . .	2¢ per hour
<u>174.29 - 174.36</u> . . . . .	3¢ per hour
<u>174.37 - 174.44</u> . . . . .	4¢ per hour
<u>174.45 - 174.53</u> . . . . .	5¢ per hour

<u>174.54 - 174.61</u>	<u>.....6¢ per hour</u>
<u>174.62 - 174.69</u>	<u>.....7¢ per hour</u>
<u>174.70 - 174.77</u>	<u>.....8¢ per hour</u>
<u>174.78 - 174.85</u>	<u>.....9¢ per hour</u>

And so forth, in accordance with the Letter of Understanding signed by the parties.

For each adjustment during the fifteen three-month periods beginning December 1, 2003, and ending on June 3, 2007, in which an increase in the Cost of Living Allowance shall be required according to the above table, the amount of increase so required each three month period shall be reduced by two cents (2¢), or by the amount of the increase, whichever is less.

Following the adjustment for the three-month period beginning June 4, 2007, the sum reduced during the fifteen periods shall be subtracted from the Cost of Living Allowance table, and the table shall be adjusted so that the actual three-month Average Consumer Price Index equates to the allowance payable during the period beginning June 4, 2007.

[See Par. (101)(e)]

[See Doc. 87]

(101)(i) The amount of any Cost of Living Allowance in effect at the time shall be included in computing overtime premium, night shift premium, vacation payments, Independence Week Shutdown pay, holiday payments, call-in pay, bereavement pay, jury duty pay, and short-term military duty pay.

(101)(j) In the event the Bureau of Labor Statistics does not issue the appropriate Consumer Price Index on or before the beginning of one of the pay periods referred to in Paragraph (101)(g) any adjustments in the Cost of Living Allowance required by such appropriate Index shall be effective at the beginning of the first pay period after receipt of the Index.



(101)(k) No adjustments, retroactive or otherwise, shall be made due to any revision which may later be made in the published figures used in the calculation of the Consumer Price Index for any month or months specified in Paragraph (101)(g).

(101)(l) parties to this Agreement agree that the continuance of the Cost of Living Allowance is dependent upon the availability of the monthly Consumer Price Index published by the Bureau of Labor Statistics in its present form and calculated on the same basis as the current Index unless otherwise agreed upon by the parties. If the Bureau of Labor Statistics changes the form or the basis of calculating the Consumer Price Index, the parties agree to request such agency to make available, for the life of this Agreement, a monthly Consumer Price Index in its present form and calculated on the same basis as the Index was prior to such change.

[See Par. (101)(f)]

### **New Jobs**

(102) When new jobs are placed in production and cannot be properly placed in existing classifications by mutual agreement, Management will set up a new classification and a rate covering the job in question, and will designate it as temporary. A copy of the temporary rate and classification name will be furnished to the Shop Committee.

[See Par. (8),(100)]

[See App. I]

(102a) As soon as possible after machinery and other equipment have been installed, and in any event, within 30 calendar days after a production employee has been placed on the job, the Shop Committee and Management shall negotiate the rate and classification, and when negotiations are completed, such classification and rate shall become a part of the local wage agreement, and the negotiated rate, if higher than

in the apprentice training program and shall be broken at that plant upon placement as a journeyman/woman in the plant where they have completed their apprentice training program.

[See Par. (138)(c),(190)(c)]

**Leaves of Absence for Service in Delphi Corporation Defense Plants**

(113b) Employees whose services, because of conditions made necessary by the National Defense of the United States, are needed by the Management in a plant of the Corporation other than the plant in which they have established their seniority and who accept such employment, will be given a leave of absence from the plant in which they have their seniority for the period their services may be required in such other plant and shall accumulate seniority in the plant from which they have been given a leave of absence, during the full period of such leave.

If such employees desire to return to employment in the original plant or when the Management of the defense plant no longer requires their services, such employees may return to the original plant in which they have seniority, in accordance with their seniority status, to their former or similar jobs.

(114) An approved copy of any written leave of absence granted under the Leaves of Absence Section will be furnished to the employee.

**STRIKES, STOPPAGES  
AND LOCKOUTS**

(115) It is the intent of the parties to this Agreement that the procedures herein shall serve as a means for peaceable settlement of all disputes that may arise between them.

[See Introduction]

[See Par. (5),(19)]

without prejudice by the Union members or may be appealed to the Impartial Umpire for final and binding decision. Upon the submission of a case to the Umpire, the parties will make an effort to provide the Umpire with a jointly agreed upon set of specific criteria to guide the Umpire's decision in each case.

(183)(a) Employees of an outside contractor will not be utilized in a plant covered by this Agreement to replace seniority employees on production assembly or manufacturing work, or fabrication of tools, dies, jigs and fixtures, normally and historically performed by them, when performance of such work involves the use of Corporation-owned machines, tools, or equipment maintained by Corporation employees.

[See Par. (46)(1)]

[See App. F]

[See Doc. 113]

(b) The foregoing shall not affect the right of the Corporation to continue arrangements currently in effect; nor shall it limit the fulfillment of normal warranty obligations by vendors nor limit work which a vendor must perform to prove out equipment.

[See Par. (46)(1),(183)(d)]

[See Doc. 58,100,113]

(c) It is the policy of the Corporation to fully utilize its seniority employees in maintenance skilled trades classifications in the performance of maintenance and construction work, as set forth in its letter, dated December 14, 1967 (Appendix F), to the Union on this subject.

[See Par. (46)(1)]

[See App. F1]

[See Doc. 58]

(d) In all cases, except where time and circumstances prevent it, Local Management will hold advance discussion with and provide advance written notice to the Chairperson of the Shop Committee and the Shop Committeeperson or Shop Committeepersons

whose zones include the maintenance activities, prior to letting a contract for the performance of maintenance and construction work. In this discussion Local Management is expected to review its plans or prospects for letting a particular contract. The written notice will describe the nature, scope and approximate dates of the work to be performed and the reasons (equipment, available human resources, etc.) why Management is contemplating contracting out the work. Further, this written notice will include the type and duration of warranty work.

At such times Local Management representatives are expected to afford the Local Union representatives an opportunity to comment on the Management's plans and to give appropriate weight to those comments in the light of all attendant circumstances. When Journeymen/women or E.I.T.S. diemaking, toolmaking or engineering employees are on layoff or become laid off as a result of the plant's subcontracting work normally performed by them, Local Management will, except where time and circumstances prevent it, hold such advance discussions of contracts for the performance of major die construction work or major tooling construction programs of the type normally performed by such employees.

[See Par. (183)(b)]

[See Doc. 58,59,98]

(e) In no event shall any seniority employee who customarily performs the work in question be laid off as a direct and immediate result of work being performed by any outside contractor on the plant premises.

[See Par. (46)(1)]

## VACATION ENTITLEMENT

(184) The vacation entitlement provisions of this Section shall apply during the remainder of the term of this Agreement.

(185) Effective January 1, 1994 the eligibility date for vacation entitlement for all seniority employees is December 31.

(186) Each "eligibility year" shall begin with the first pay period following the pay period containing December 31 of the previous year and end with the pay period in which December 31 falls.

(187) Employees shall become eligible for vacation entitlement as hereinafter defined, provided they have at least one year's seniority as of December 31 of the eligibility year and have worked during at least 13 pay periods during the eligibility year.

Without modifying or adding to any other provision of the Vacation Entitlement Section, an employee who has seniority but has not acquired one year's seniority as of December 31 shall nevertheless become eligible for a percentage of 40 hours of vacation entitlement pursuant to Paragraphs (192) and (193b).

(188) In determining the number of pay periods an employee shall have worked in the eligibility year, the employee shall be credited with one pay period for each pay period in which the employee performs work in any Delphi Corporation plant during that year.

(189) For the purpose of this Vacation Entitlement Section only, a pay period during which an employee qualifies for pay pursuant to Paragraph (194), Paragraphs (203) through (213a) for holidays falling within the Christmas Holiday Period, Paragraph (218), Paragraph (218a), Paragraph (218b), or the Independence Week Shutdown shall be counted as a pay period worked. A laid off employee who receives pay for a designated holiday shall receive credit for the pay period in which the holiday falls as a pay period worked.

(190) Employees whose seniority at a Delphi Corporation plant (base plant) is hereafter broken:

(a) pursuant to Paragraph (64)(d) because they elected to remain at the Delphi Corporation plant in which they are working, or

(b) pursuant to Paragraph (64)(e), or

(c) pursuant to Paragraph (113a) because of placement as a journeyman/woman, shall have their vacation entitlement computed as though their seniority at the base plant had not been broken, provided, (1) they continuously hold seniority at a Delphi Corporation plant(s), or (2) are hired at a Delphi Corporation plant before their seniority at a prior plant is broken and they acquire seniority at the plant where hired within the next six (6) continuous months, and they thereafter continuously hold seniority at a Delphi Corporation plant(s).

(191) An eligible employee who has worked at least 26 pay periods in the eligibility year shall be entitled to the following vacation entitlement:

<b>For an Eligible Employee With Seniority of</b>	<b>Hours of Vacation Entitlement</b>
Less than one year	40
One but less than three years	80
Three but less than five years	100
Five but less than 10 years	120
Ten but less than fifteen years	140
Fifteen but less than twenty years	160
Twenty or more years	200

(192) An eligible employee shall be entitled to a percentage of vacation entitlement shown in Paragraph (191) based on the number of pay periods the employee works in the eligibility year, in accordance with the following:

<b>Pay Periods Worked</b>	<b>Percentage of Hours of Vacation Entitlement</b>
26	100%
25	96
24	92
23	88
22	84
21	80
20	76
19	73
18	69
17	65
16	61
15	57
14	53
13	50

(193) An eligible employee who, at the time of the eligibility date, has not used the entire vacation entitlement provided for in Paragraph (191) shall receive a payment in lieu of vacation time off for the unused portion at the rate established in accordance with Paragraph (193a).

(193a) Vacation time off payments will be calculated on the basis of the employee's regular rate of pay, plus attached night shift premium, not including overtime, as of the employee's last day worked prior to the approved vacation time off period for vacation with pay. Payment of the unused portion, if any, of Vacation Entitlement will be calculated on the basis of the employee's rate of pay plus the attached night shift premium but not including overtime premium, as of the last day worked prior to the eligibility date or the last day worked prior to December 15, whichever produces the higher rate.

(193b) Payment of the unused portion, if any, of the employee's vacation entitlement, shall be made as soon as possible but not later than February 1 of the following year.

(194) Eligible employees may use 40 hours of their vacation entitlement during the eligibility year provided their absence from work is for not less than four (4) continuous hours and is excused for illness (when not receiving Sickness and Accident benefits), or personal business, or a leave of absence for vacation purposes.

(195) Employees who retire or are retired under the provisions of the Delphi Corporation Hourly Rate Employees Pension Plan shall receive prorated vacation entitlement up to the vacation entitlement to which the employee's seniority would have entitled them on December 31 of the current year as follows:

- in accordance with Paragraph (192) provided the employee has worked at least 13 pay periods in the eligibility year in which they retire or
- one twenty-sixth ( $1/26$ ) of the vacation entitlement provided for in Paragraph (191) for each pay period worked within the eligibility year if they have worked less than 13 pay periods in the eligibility year in which they retire.



(196) Employees who are placed on or return from a Leave of Absence for Military Service pursuant to the provisions of Paragraph (112), shall receive vacation entitlement in accordance with Paragraph (192) if the employee has worked at least 13 pay periods in the eligibility year in which they are placed on or return from a Leave of Absence for Military Service, or one twenty-sixth (1/26) of the vacation entitlement provided for in Paragraph (191) for each pay period worked within the eligibility year if they have worked less than 13 pay periods in the eligibility year in which they are placed on or return from a Leave of Absence for Military Service.

(197) Employees disabled from working by compensable injury or legal occupational disease shall receive credit toward pay periods worked under this Vacation Entitlement Section for pay periods they would otherwise have been scheduled to work during the period of compensable disability, provided they worked during at least one (1) pay period in the eligibility year and are otherwise eligible for a vacation entitlement.

(198) In the case of an employee who has worked during at least 13 pay periods in the eligibility year and who voluntarily quits or dies prior to the eligibility date, the vacation entitlement to which the employee would have been entitled based on the number of pay periods worked, shall be paid to the employee or in the event of death, the employee's duly appointed legal representative, if there is one, and, if not, to the spouse, parents, children, or other relative or dependents of such person as the Corporation in its discretion may determine.

(199) The vacation entitlement of an employee who holds seniority in two or more Delphi Corporation plants will be computed on the basis of the longest seniority held as of the eligibility date.

(200) In the case of an employee who goes on sick leave during one eligibility year after having worked less than 13 pay periods in that year and who retires during the next eligibility year under the provisions of the Delphi Corporation Hourly-Rate Employees Pension Plan before returning to work, the retirement, for the purpose of this Vacation Entitlement Section only, shall be deemed to have occurred as of the day following the employee's last day worked.

(201) When a person is transferred into a bargaining unit covered by this Agreement the amount of vacation entitlement the employee may become eligible for shall be reduced by the amount of any paid vacation or pay in lieu of taking vacation which the employee has already received from the Corporation for the same eligibility year.

### VACATION TIME OFF PROCEDURE

(202) Management recognizes the desirability of providing vacation time off with pay, up to the vacation entitlement to which the employee's seniority will entitle them on December 31 of the current year, in a manner that preserves the maintenance of efficient operations while giving consideration to the desires of the employee.

(202a) During each year of this Agreement, the Corporation has designated the following days to be included in an Independence Week Shutdown period:

#### 2004

<u>Tuesday, July 6</u>	- Independence Week Shutdown Day
<u>Wednesday, July 7</u>	- Independence Week Shutdown Day
<u>Thursday, July 8</u>	- Independence Week Shutdown Day
<u>Friday, July 9</u>	- Independence Week Shutdown Day

**2005**

Tuesday, July 5

- Independence Week  
Shutdown Day

Wednesday, July 6

- Independence Week  
Shutdown Day

Thursday, July 7

- Independence Week  
Shutdown Day

Friday, July 8

- Independence Week  
Shutdown Day

**2006**

Monday, July 3

- Independence Week  
Shutdown Day

Wednesday, July 5

- Independence Week  
Shutdown Day

Thursday, July 6

- Independence Week  
Shutdown Day

Friday, July 7

- Independence Week  
Shutdown Day

**2007**

Monday, July 2

- Independence Week  
Shutdown Day

Tuesday, July 3

- Independence Week  
Shutdown Day

Thursday, July 5

- Independence Week  
Shutdown Day

Friday, July 6

- Independence Week  
Shutdown Week

**Vacation Time Off Procedure**

(202b) During February of each year, the local Management will notify the Shop Committee of its decision to schedule the week before or the week after the Independence Week Shutdown period as a Plant Vacation Shutdown Week.

(202c) In addition, during February of each year, the local Management will notify the Shop Committee which productive operations, if any, will be scheduled to operate during the Independence Week Shutdown Period and which productive operations, if any, will be scheduled to operate during the Plant Vacation Shutdown Week. Unforeseen circumstances may require subsequent changes in these announced schedules and will be reviewed with the Shop Committee as soon as is practicable.

(202d) Employees who are not scheduled to work during any portion of the Independence Week Shutdown Period shall be paid up to eight (8) hours of pay for each of the Independence Week Shutdown Period days they are not scheduled to work, up to a maximum of thirty-two (32) hours, which will be calculated on the basis of the employee's regular rate of pay, plus attached night shift premium, not including overtime, as of the employee's last day worked prior to the Independence Week Shutdown period provided:

(1) The employee has seniority in any Delphi Corporation plant as of the date of each of the Independence Week Shutdown Days,

(2) The employee is on the active rolls and would otherwise have been scheduled to work if it had not been observed as an Independence Week Shutdown Day,

(3) The employee works their last scheduled work day in the pay period prior to and their next scheduled work day in the pay period after the pay periods of Independence Week Shutdown and Plant Vacation Shutdown Week.

Employees shall receive such pay in the pay period following the Independence Week Shutdown Period

(202e) Failure to work either their last scheduled work day in the pay period prior to or their next scheduled work day in the pay period after the pay periods of the Independence Shutdown and Plant Vacation Shutdown Week will disqualify the employee for Independence Week Shutdown pay for the two (2) Independence Week Shutdown days which follow or precede such scheduled work day.

(202f) Employees who are scheduled to work during the Independence Week Shutdown Period, including the Independence Day holiday shall be entitled to up to eight (8) hours of Additional Time Off with pay up to a maximum of forty (40) hours in lieu of the Independence Week Shutdown Period pay for each day worked provided:

(1) The employee has seniority in any Delphi Corporation plant as of each day of the Independence Week Shutdown Period,

(2) The employee is scheduled to report for work during any of the days, and

(3) The employee reports for and performs such scheduled work on those scheduled days or is absent pursuant to the provisions of Paragraphs (218) or (218b).

The Additional Time Off will be scheduled in accordance with local plant practice.

(202g) Eligible employees who, as of the next eligibility date, have not used their entire Additional Time Off, shall be paid the unused portion in accordance with Paragraphs (193a) and (193b).

(202h) Management at each plant will establish a procedure whereby employees, during February, may make application in writing for vacation time off, indicating first, second and third choices. If a Plant

Vacation Shutdown is scheduled, the dates of such shutdown are to be included in the employee's vacation schedule. In the event more employees apply for time off than can be spared from the job at a given time, plant seniority will be the basis for resolving priority of applications for time off, except that applicants working on jobs which usually operate when the plant is shut down during such periods as model change, plant rearrangement, plant vacation shutdown or inventory will be given first consideration for time off during periods other than shutdown period.

(202i) Each employee will be given a written disposition of their vacation time off request. Approved vacation time off, exclusive of the time identified as a Plant Vacation Shutdown, will not thereafter be canceled or changed without the mutual consent of Management and the employee. If an employee's approved vacation time off scheduled for a Plant Vacation Shutdown is canceled or changed, the employee may reschedule their vacation in accordance with local plant practice.

(202j) An active seniority employee who is not scheduled to work during the Plant Vacation Shutdown week, shall use any available Vacation Entitlement hours starting with the first day of the Plant Vacation Shutdown week and will be placed on a leave of absence for vacation purposes for the balance of the Plant Vacation Shutdown week. An active employee without seniority who is not scheduled to work shall be considered on layoff for the entire shutdown period.

(202k) An eligible employee who has approved vacation time off in accordance with Paragraph (202h), either through individual vacation scheduling or a scheduled plant vacation shutdown, shall receive their vacation pay, up to the amount of their approved time off, in the pay period following the pay period in which the approved vacation time off is taken. An employee

may elect to waive this provision by submitting an application at least two (2) days prior to the approved vacation time off. Upon receipt of the application, payment of the specified Vacation Entitlement will be made pursuant to the provisions for payment of an unused balance in Paragraphs (193a) and (193b).

(202l) Regardless of the provisions of Paragraph (49), the Corporation will deduct from earnings subsequently due and payable the amount of any vacation payment made to an employee who does not have seniority as of their next eligibility date, or who receives state or federal benefits as a result of unemployment during the Vacation Entitlement Period, or who receives any payment in excess of their eligibility. Recovery of such overpayments may be made from any future payments payable under any term of this agreement or any Supplemental Agreement thereto.

(202m) (1) An employee who has at least two (2) years' seniority as of their last vacation eligibility date may apply for forty (40) hours of advance vacation pay. Such payment will be calculated in accordance with Paragraph (202m)(2) and will be paid in the pay period immediately preceding the approved vacation period provided:

(a) The employee has an approved vacation time off application pursuant to Paragraph (202h);

(b) The employee is eligible for vacation entitlement pursuant to Paragraph (191) that is at least equal to the amount of vacation requested;

(c) The advance payment cannot be requested for consecutive vacation weeks, and can only be requested for an entire pay period;

(d) The employee makes application for the advance vacation payment, in writing, at least two (2) weeks prior to payment of the advancement; and

(e) The employee takes the vacation time off. Once the advance vacation is approved, the employee will not be permitted to cancel the vacation time off.

(2) Advance vacation pay paid pursuant to Paragraph (202m)(1) will be calculated on the basis of the employee's regular rate of pay, plus attached night shift premium, not including overtime, at the time the application for advance vacation pay is processed.

(3) Recovery of this advance payment made to an employee who does not meet the requirements of Paragraph (202m)(1)(e) will be made from their next regular paycheck(s).

## **HOLIDAY PAY**

(203) Employees shall be paid for specified holidays and the holidays in each of the Christmas holiday periods as provided hereinafter:

### **1st Year**

November 14, 2003 Veterans' Day (Observed)  
November 27, 2003 Thanksgiving  
November 28, 2003 Day after Thanksgiving  
December 24, 2003  
December 25, 2003  
December 26, 2003  
December 29, 2003 Christmas Holiday Period  
December 30, 2003  
December 31, 2003  
January 1, 2004  
January 2, 2004  
January 19, 2004 Martin Luther King, Jr. Day  
April 9, 2004 Good Friday  
April 12, 2004 Day after Easter  
May 28, 2004 Friday before Memorial Day



May 31, 2004 Memorial Day  
(or two other such holidays of greater local  
importance which must be designated in advance by  
mutual agreement locally in writing),  
July 5, 2004 Independence Day (Observed)  
September 6, 2004 Labor Day

### **2nd Year**

November 2, 2004 Federal Election Day  
November 15, 2004 Veterans' Day (Observed)  
November 25, 2004 Thanksgiving  
November 26, 2004 Day after Thanksgiving  
December 24, 2004)  
December 27, 2004)  
December 28, 2004) Christmas Holiday Period  
December 29, 2004)  
December 30, 2004)  
December 31, 2004)  
January 17, 2005 Martin Luther King, Jr. Day  
March 25, 2005 Good Friday  
March 28, 2005 Day after Easter  
May 27, 2005 Friday before Memorial Day  
May 30, 2005 Memorial Day  
(or two other such holidays of greater local  
importance which must be designated in advance by  
mutual agreement locally in writing),  
July 4, 2005 Independence Day  
September 5, 2005 Labor Day

### **3rd Year**

November 8, 2005 Local Election Day  
November 14, 2005 Veterans' Day (Observed)  
November 24, 2005 Thanksgiving  
November 25, 2005 Day after Thanksgiving  
December 26, 2005)  
December 27, 2005)  
December 28, 2005) Christmas Holiday Period  
December 29, 2005)

December 30, 2005)  
January 2, 2006)  
January 16, 2006 Martin Luther King, Jr. Day  
April 14, 2006 Good Friday  
April 17, 2006 Day after Easter  
May 29, 2006 Memorial Day  
(or one other such holiday of greater local  
importance which must be designated in advance by  
mutual agreement locally in writing),  
July 4, 2006 Independence Day  
September 4, 2006 Labor Day

#### 4th Year

November 7, 2006 Federal Election Day  
November 13, 2006 Veterans' Day (Observed)  
November 23, 2006 Thanksgiving  
November 24, 2006 Day after Thanksgiving  
December 25, 2006)  
December 26, 2006)  
December 27, 2006) Christmas Holiday Period  
December 28, 2006)  
December 29, 2006)  
January 1, 2007)  
January 15, 2007 Martin Luther King, Jr. Day  
April 6, 2007 Good Friday  
April 9, 2007 Day after Easter  
May 28, 2007 Memorial Day  
(or one other such holiday of greater local  
importance which must be designated in advance by  
mutual agreement locally in writing),  
July 4, 2007 Independence Day  
September 3, 2007 Labor Day

providing they meet all of the following eligibility rules  
unless otherwise provided herein:

[See Par. (86),(187),(205a)]

[See Doc. 50,94]

(1) The employee has seniority as of the date of each specified holiday and as of each of the holidays in each of the Christmas holiday periods, and

(2) The employee would otherwise have been scheduled to work on such day if it had not been observed as a holiday, and

(3) The employee must have worked the last scheduled work day prior to and the next scheduled work day after each specified holiday within the employee's scheduled work week. For each Christmas holiday period, the employee must have worked the last scheduled work day prior to each holiday period and the next scheduled work day after each holiday period.

Each of the designated days in the Christmas holiday period shall be a holiday for purposes of this Holiday Pay Section.

[See Doc. 80]

(203a) Failure to work either the last scheduled work day prior to or the next scheduled work day after each Christmas holiday period will disqualify the employee for pay for the one holiday in the Christmas holiday period which follows or precedes such scheduled work day.

(203b) An employee who retires as of January 1, and who is otherwise eligible for holiday pay for those holidays falling in the Christmas holiday period up to and including December 31, will receive holiday pay for such holidays.

(203c) In order for employees to have maximum time off during the Christmas Holiday Period, employees will only be scheduled for work on the following days, which are not paid holidays under this Agreement, on a voluntary basis, except in emergency situations:

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Saturday, December 27, 2003  
Sunday, December 28, 2003  
Saturday, January 3, 2004  
Sunday, January 4, 2004  
Saturday, December 25, 2004  
Sunday, December 26, 2003  
Saturday, January 1, 2005  
Sunday, January 2, 2005  
Saturday, December 24, 2005  
Sunday, December 25, 2005  
Saturday, December 31, 2005  
Sunday, December January 1, 2006  
Saturday, December 23, 2006  
Sunday, December 24, 2006  
Saturday, December 30, 2006  
Sunday, December 31, 2006

Employees shall not be disqualified for holiday pay if they do not accept work on such days. This does not apply to employees on necessary continuous seven-day operations.

(204) When a holiday falls on Saturday, eligible employees shall receive holiday pay provided they have worked the last preceding scheduled work day within the week in which that holiday falls.

(205) Employees eligible under these provisions shall receive eight hours pay for each of the holidays specified in Paragraph (203), computed at their regular straight time hourly rate exclusive of overtime premium.

[See Par. (87)(6),(89),(101)(i),(205a)]

(205a) For holidays specified in Paragraph (203), eligible employees shall have the night shift premium rate which attached to the straight time hours on their last straight time day worked preceding the holiday

included in the computation of holiday pay paid pursuant to Paragraph (205).

[See Par. (87)(6),(89)]

(206) Employees whose work is in necessary continuous seven-day operations as covered by Paragraph (87) of the National Agreement shall receive holiday pay only in the event the holiday falls on one of their regularly scheduled days off, and they meet the other eligibility requirements of this Holiday Pay Section; provided, however, that such employees shall not receive holiday pay if they are scheduled to work on such day off and absent themselves from scheduled work on such holiday without reasonable cause acceptable to Management.

[See Par. (87)(3)]

[See Par. (87)(6)]

(207) Employees of a Delphi Corporation plant who obtain employment in another Delphi Corporation plant will be eligible for holiday pay during their probationary period provided they have seniority in the home plant as of the date of the holiday and they are otherwise eligible under the terms of these provisions on Holiday Pay.

(208) Seniority employees who have been laid off in a reduction of force (except as provided below), or who have gone on sick leave, on leave of absence for military service, or on a Leave for Family and Medical Reasons, during the work week prior to or during the week in which the holiday falls, shall receive pay for such holiday.

Seniority employees who work in the fourth work week prior to the week in which the Christmas Holiday Period begins, and who are laid off in a reduction in force during that week, or seniority employees who are laid off in a reduction in force during the first, second or

third work week prior to or during the work week in which the Christmas Holiday Period begins, shall, if otherwise eligible, receive pay for each of the holidays in the Christmas Holiday Period providing such employees worked the last scheduled work day prior to such layoff.

Seniority employees who work in the fifth, sixth, or seventh work week prior to the week in which the Christmas Holiday Period begins, and who are laid off in a reduction in force during that week, shall, if otherwise eligible, receive pay for one-half of the holidays falling during such Christmas Holiday Period providing such employees worked the last scheduled work day prior to such layoff.

[See Par. (209)]

(209) Employees who have been laid off because of model change, plant rearrangement, or inventory shall be eligible for holiday pay under these Holiday Pay provisions, for a specified holiday falling within the period of such layoff providing they meet all the following eligibility rules:

[See Par. (208)]

(1) They have seniority as of the day of the holiday.

(2) They are ineligible for holiday pay for the holiday under the other provisions of this Holiday Pay Section.

(3) They return to work during the work week in which the holiday falls or during the work week immediately following the work week in which the holiday falls.

(4) They work the first day they are scheduled to work following the holiday.

(210) When a holiday, specified above, falls within an eligible employee's approved vacation period or during a period in which jury duty pay is received pursuant to Paragraph (218) of this Agreement, and such vacation or jury duty causes the employee to be absent from work during the regularly scheduled work week, the employee shall be paid for such holiday.

(211) When eligible employees are on an approved leave of absence and return to work following the holiday but during the week in which the holiday falls, they shall be eligible for pay for that holiday. Eligible employees whose leave of absence terminates during the Christmas Holiday Period, and who report for work on the next scheduled work day after the Christmas Holiday Period, will be eligible for holiday pay beginning with the first holiday such employees would otherwise have worked and each holiday thereafter in the Christmas Holiday Period.

(212) Employees not working in necessary continuous seven-day operations who may be requested to work on a holiday and have accepted such holiday work assignment and then fail to report for and perform such work, without reasonable cause, shall not receive holiday pay under this Holiday Pay Section.

[See Par. (203)]

(213) When any of the above-enumerated holidays falls on Sunday and the day following is observed as the holiday by the State or Federal Government, the day of observance shall be considered as the holiday under the provisions of this Holiday Pay Section.

[See Par. (86)]

(213a) It is the purpose of the Holiday Pay Provisions in Paragraphs (203) through (213) of this Agreement to enable eligible employees to enjoy the specified holidays with full straight time pay. If, with

respect to a week included in the Christmas Holiday Period, employees supplement their Holiday Pay by claiming and receiving an unemployment compensation benefit, or claim and receive waiting period credit, to which they would not have been entitled if their Holiday Pay had been treated as remuneration for the week, such employees shall be obligated to pay to the Corporation the lesser of the following amounts:

(a) an amount equal to their Holiday Pay for the week in question, or,

(b) an amount equal to either the unemployment compensation paid to them for such week or the unemployment compensation which would have been paid to them for such week if it had not been a waiting period.

The Corporation will deduct from earnings subsequently due and payable the amount which such employees are obligated to pay as provided above.

## GENERAL PROVISIONS

(214) After consultation with the Shop Committee, the Corporation shall make reasonable rules in each plant regarding smoking. Any protest against the reasonableness of the rules may be treated as a grievance.

(215) Supervisory employees shall not be permitted to perform work on any hourly-rated job except in the following types of situations: (1) in emergencies arising out of unforeseen circumstances which call for immediate action to avoid interruption of operations; (2) in the instruction or training of employees, including demonstrating the proper method to accomplish the task assigned. Complaints of repeated violations of this paragraph will be handled under the provisions of



**APPENDIX F**  
**DELPHI CORPORATION**

September 18, 2003

Mr. Richard Shoemaker  
Vice President and Director  
General Motors Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Shoemaker:

It is the policy of Delphi Corporation to perform maintenance work with its own employees, provided it has the labor, skills, equipment and facilities to do so and can do the work competitively in quality, cost and performance and within the projected time limits. At times the Corporation does not deem advisable doing the work itself, and it must, as in the past, reserve to itself the right to decide whether it will do any particular work or let the work to outside contractors. This letter is not to be regarded as impairing that right in any way.

The Corporation hereby assures the Union that it has no plans to change its policy and that it expects to continue its general operating policy of placing primary reliance on its own skilled trades employees to perform maintenance work to the extent consistent with sound business practice, as in the past.

In this regard, we have seen the use of joint Management and Union work schedule and business opportunity teams work very successfully in many of our locations. This approach has not only enhanced job security, but has allowed a better understanding as to the competitive challenges facing the parties. As such, each location is encouraged to establish a skilled trades subcontracting planning team involving both Management and Union representation who will review forecasted work schedules, including projects and jobs

which may be subject to subcontracting, in order to develop the most efficient approach to the work to be performed. Plants who have experienced success with this approach have found that meetings scheduled weekly, if necessary, were most beneficial, and therefore such meetings should be scheduled accordingly at all plants.

The Corporation is genuinely interested in maintaining maximum employment opportunities for its skilled trades employees consistent with the needs of the Corporation. Therefore, in making these determinations, the Corporation intends always to keep the interests of Delphi Corporation personnel in mind.

Very truly yours,

Kevin M. Butler  
Vice President  
Human Resource Management

[See Par. (42a), (183)(a)-(e)]

[See App. F1-F2]

[See Doc. 58]

**APPENDIX F-1**  
**DELPHI CORPORATION**

September 18, 2003

Mr. Richard Shoemaker  
Vice President and Director  
General Motors Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Shoemaker:

During the 1979 negotiations, the Union discussed with the Corporation serious problems affecting the job security of employees resulting from contracting out of work.

During the course of negotiations, the Union complained that in certain instances the work force in maintenance and tool and die trades particularly was reduced through attrition and then work was contracted out to the point where there was insufficient manpower available within the plant to perform the work; that in certain instances EIT's were reduced to production jobs and work in their trades which they historically performed and which they were capable of performing was subsequently contracted out for extended periods without recalling the EIT's to the skilled trades jobs from which they had been reduced; and that in certain instances skilled trades employees were permanently laid off and new work which they had historically performed was contracted out for extended periods, instead of recalling these employees to their jobs. Similar complaints were made relative to work in the Corporation's engineering departments. In certain instances, the Union alleged that work historically performed in the Parts Division had been contracted out accounting in part for the reduction in the number of employees in that division.

The essential elements in the complaints registered by the Union went to the question of job security.

During the 1996 National Negotiations, the parties reviewed the competitive advantage of the Corporation's talented skilled trades workforce. Discussed were the Union's concerns for the integrity of the apprenticeable trades, the job security of the skilled trades workforce, the content of skilled trades work assignments, and the status of work functions historically performed by the bargaining unit.

At times it is not practicable for the Corporation to do the work itself, and it must, as in the past, reserve the right to decide whether it will do particular maintenance, tool and die and engineering skilled trades work, or contract it out. The Union recognizes that in making such decisions the Corporation must consider among other things, the efficiencies and economies involved, the need for specialized tools and equipment, special skills and the necessity of meeting production schedules, model change and plant rearrangement deadlines.

In our discussions we agreed that employees' jobs should not be eliminated by reason of a practice of contracting out, and we agreed that existing employment opportunities of seniority employees should not be unnecessarily reduced by reason of management contracting out work. The Corporation, moreover, states that it is its policy to fully utilize its seniority employees, under circumstances in which it is reasonable and practicable to do so, in the performance of work which they have historically performed to produce its product and perform its services.

While Delphi intends to provide this opportunity to its skilled trades workforce, the parties agreed that prolonged schedules involving substantial overtime were not in the best interest of employees or the Corporation and, as a result, Delphi must consider the availability of its skilled workforce when scheduling potential overtime. The parties are expected to work out acceptable means by which Management will have reliable information as to the hours employees will work when planning such work schedules.

Accordingly, the Corporation states that it will make a reasonable effort to avoid contracting out work which adversely affects the job security of its employees and that it will utilize various training programs available to it, whenever practicable, to maintain employment opportunities for its employees consistent with the needs of the Corporation.

Very truly yours,

Kevin M. Butler

Vice President

Human Resource Management

[See Par. (42a), (183)(a)-(e)]

[See App. F, F2]

[See Doc. 58, 59]

## APPENDIX K

### MEMORANDUM OF UNDERSTANDING JOB SECURITY (JOBS) PROGRAM

The Corporation and the Union are committed to enhancing the job security of Delphi Corporation employees. The Parties also recognize that such job security can only be realized within a work environment which promotes operational effectiveness, continuous improvement and competitiveness.

Accordingly, the parties have agreed to this JOBS Program and have pledged to work together, consistent with this Program and other provisions of the National Agreement to enhance the Corporation's competitive position.

The cornerstone of the JOBS Program is a commitment to pre-determined Secured Employment Levels (SELs), a series of SEL Benchmark Minimums, and protection against indefinite layoff for eligible employees as expressly provided herein.

**I. SCOPE OF THE PROGRAM** - The Corporation and the Union agree that:

- (A) The secured employment levels (SELs) (i.e., numbers of eligible employees or positions covered by this Program as defined herein) initially shall be established as of the Effective Date of the Agreement at each bargaining unit for skilled and non-skilled employees will be continued. The transfer of an employee between skilled and non-skilled will cause the SEL for the group receiving the employee to increase and the other group from which the movement occurred to decrease unless the movement occurred to satisfy the SEL, in which case the SEL will remain the same in each group.

- (B) The initial Secured Employment Levels for each Unit shall be equal to the sum of: (1) the number of active employees with one or more years seniority at work and on roll in the Unit on the Effective Date; (2) the number of active employees occupying SEL slots in the Unit on the Effective Date; and (3) the number of unfilled new hire obligations in the Unit as of the Effective Date due to the application of the outsourcing/new hire provisions of the 199699 Agreement, Appendix K (Article II (O)(2)b.3.). Such active employees will be SEL eligible and shall include employees not at work who are:
- (1) on vacation,
  - (2) receiving bereavement pay,
  - (3) on jury duty,
  - (4) on any leave of absence of 90 days duration or less,
  - (5) on temporary layoff, and
  - (6) any other employee having a direct attachment to the active workforce.
- (C) A series of SEL Benchmark Minimums will be established for each Unit on the Effective Date, representing projected SEL-eligible employment minimums as of the close of each calendar quarter beginning with the quarter ending December 31, 2003 through the quarter ending June 30, 2007. Each quarterly Benchmark shall be determined by subtracting from the immediately preceding SEL Benchmark an

amount equal to .333% of the Unit's Initial SEL, so that the June 30, 2007 Benchmark shall equal 90% of the initial SEL. (If this calculation results in something other than a whole number, sequential rounding adjustments may be made to even out the calculations over the term of the Agreement.)

- (D) No employee will be laid off for any reason, other than described in I(E), if such layoff would cause the number of active employees in the unit to fall below the then current SEL or otherwise result in the layoff of one or more SEL eligible employees.
- (E) Paragraph I(D) notwithstanding, an employee protected from layoff by the SEL may be laid off for any of the following reasons:
  - (1) volume related declines attributable to market related conditions as described in Document No. 10, JOBS Program - Volume Related Layoffs - SEL, not to exceed 48 weeks (inclusive of vacation shutdown weeks) over the life of the Agreement;
  - (2) acts of God or other such reasons beyond the control of the Corporation;
  - (3) the sale of a part of the Corporation's operations as an ongoing business;
  - (4) the layoff of an employee recalled or reassigned to fill an opening known in advance to be temporary; or



- (5) model change or plant rearrangement until the employee otherwise would have been recalled.

An employee impacted by any of the above reasons is, if otherwise eligible, covered by the appropriate Supplemental Agreements which are attached to the National Agreement as Exhibits.

- (F) The number of employees protected by this JOBS Program will be the equivalent of the employees within the SEL who would otherwise have been laid off as a result of any event other than those described in Paragraph I(E).

**II. ADJUSTMENTS TO THE SEL AND SEL ELIGIBILITY** - Following the initial determination of the SEL, it will be adjusted as follows:

- (A) An employee shall become SEL-eligible for any of the following reasons at which point the SEL will be increased by one position for each such employee: (1) an employee in the active workforce, as defined by Paragraph I(B) who had less than one year seniority on the Effective Date of the Agreement who subsequently attains one year of seniority; (2) an employee with one or more years seniority is recalled, except if recalled to satisfy the SEL, and is actively at work, on vacation or receives pay in at least 26 weeks during any consecutive 52-week period ending after the effective date of the Agreement; (3) an employee with less than one years seniority is recalled, except if recalled to satisfy the SEL, who

subsequently attains one years seniority and is actively at work, on vacation or receives pay in at least 26 weeks during any consecutive 52-week period ending after the effective date of the Agreement; (4) an employee rehired pursuant to Paragraph (64)(e), except if rehired to satisfy a SEL, who subsequently attains one years seniority and is actively at work, on vacation or receives pay in at least 26 weeks during any consecutive 52-week period ending after the effective date of the Agreement; (5) an employee newly hired after the effective date of the Agreement who attains three years seniority; (6) an employee deemed to be eligible, recalled or newly hired in order to satisfy a SEL Benchmark Minimum. Notwithstanding the above, the National JOBS Committee is authorized to establish special mechanisms, including SEL eligibility provisions, for the purpose of attracting new work.

- (B) The SEL will be reduced for the attrition of eligible employees who quit, retire, or die.
- (C) Unit SELs will be adjusted in the event of transfers of operations or consolidations between Units. The Unit SEL will be decreased by one at the transferring location and increased by one at the receiving location by the corresponding number of employees who transfer, unless otherwise agreed to by the National parties. Similarly, corresponding adjustments will also be made to the SEL Benchmark Minimums of each affected unit.
- (D) Each employee who leaves the bargaining unit for a permanent salaried position will

be replaced immediately with no effect on the SEL by recalling an employee from layoff or from the Area Hire List, or by hiring a new employee if no such laid off employee is available. For each regular salaried employee returning to the bargaining unit, the SEL will be increased by one.

**(E)** SEL eligible employees off roll will maintain their eligibility upon reinstatement.

**(F) (1)** Following the last day of each month and within 15 days of the following month (SEL Benchmark Review), the number of SEL-eligible employees in each Unit shall be compared to the Unit's corresponding SEL Benchmark Minimum. Adjustments will be made consistent with the provisions of this Memorandum, and attrition replacement obligations will be fulfilled as set forth below.

**(2)** When the number of SEL-eligible employees exceeds the Benchmark Minimum, attrition will be replaced on a one-for-two basis by recalling employees on layoff in accordance with the procedure described in Section (3)(b) below.

**(3)** When the number of SEL-eligible employees would otherwise fall below the Benchmark Minimum, attrition will be replaced on a one-for-one basis by the following actions in order to maintain eligible

**employment at the Benchmark Minimum:**

- (a) First, by allowing an ineligible active seniority employee at the affected facility to become eligible.
  - (b) Second, by recalling a seniority employee from layoff from the facility, or rehiring an employee with a Paragraph (64)(e) rehire right, or from the Area Hire list.
  - (c) Or third, by hiring new employees up to the net number of jobs outsourced minus those insourced (as defined in Appendix L of the Agreement and determined by the National Committee) subsequent to the Effective Date. Such positions will be filled on a Unit basis no later than ninety (90) days following the SEL Benchmark Review, except when the affected Unit is encountering market-driven, volume-related layoffs.
- (4) Notwithstanding the above, the net outsourcing/new hire obligation provided in Section (3)(c) above shall be activated earlier than required therein if and when the number of SEL-eligible employees is less than the greater of: (1) the SEL Benchmark Minimum for the quarter;

or (2) 95% of the Unit's Baseline SEL under the 1996 Agreement.

(5) If, after fulfilling the above requirements, subsequent attritions would cause the number of SEL-eligible employees to fall below the Unit's Benchmark Minimum, attrition will be replaced on the following basis:

- (a) When the number of SEL-eligible employees is greater than 90% but less than 100% of the Benchmark Minimum, one (1) new employee will be hired for each three (3) attritions.
- (b) When the number of SEL-eligible employees is greater than 80% but less than 90% of the Benchmark Minimum, one (1) new employee will be hired for each two (2) attritions.
- (c) When the number of SEL-eligible employees is below 80% of the Benchmark Minimum, one (1) new employee will be hired for each one (1) attrition.
- (d) Such positions will be filled on a Unit basis no later than ninety (90) days following the SEL Benchmark Review, except when the affected unit is encountering market-driven, volume-related layoffs.

- (6) Employees recalled, hired, or rehired to fulfill the above obligations may be assigned within their Unit at Management's discretion, subject to applicable seniority provisions of the Agreement.
- (G) If on the evaluation date the SEL number results in less than a whole number, the Engineering Method of Rounding will be used to determine the SEL.
- (H) Notwithstanding the above, SEL Benchmark Minimums will not be established for a facility determined to be closing.

**III. JOB SECURITY AND OPERATIONAL EFFECTIVENESS** - In recognition of the fact that job security can only result from joint efforts to improve operational effectiveness, the Corporation and the Union agree that:

- (A) For a period commencing with the Effective Date of this Memorandum of Understanding and for the life of the current Agreement, no employee within the SEL will be laid off as a result of any event other than those described in Paragraph I(E).
- (B) An employee whose regular job is eliminated will be placed pursuant to the applicable provisions of the National Agreement and Local Seniority Agreement.
- (C) The number of employees protected from layoff due to the JOBS Program will be that determined in Paragraph I(F). Each Protected employee will be identified by application of the Local Seniority

Agreement provisions as if such job security were not provided.

- (D) If an event, other than those described in I(E), would otherwise cause the number of active employees in a unit to fall below the then current SEL, the employees so protected, as provided for in I(D), will be placed on Protected employee status. The Parties recognize that events, other than those described in I(E), may occur during the course of this Agreement that will cause the number of SEL eligible employees to exceed the Corporation's production requirements. The parties further recognize that the scope of this program requires flexibility with regard to the assignment of such Protected employees and the selection of employees for training. In this regard, the Local JOBS Committee (described in Section IV, below) will insure that assignments are made on a basis consistent with the seniority provisions of the Collective Bargaining Agreement and Local Seniority Agreement while meeting plant needs, minimizing work force disruption and enhancing the personal growth and development of employees. After a decision by the Local JOBS Committee a Protected employee may be (1) placed in a training program, (2) used as a replacement to facilitate the training of another employee, (3) placed in a job opening at another Delphi plant provided there is no employee on layoff from that plant with a seniority recall or Paragraph (64)(e) rehire right or an Area Hire applicant who has not been offered a job at that plant, (4) given a job assignment within or outside the bargaining

unit which may be non-traditional, (5) placed in an existing opening or (6) given other assignments consistent with the purposes of this Memorandum of Understanding.

- (E) (1) Notwithstanding the above, an available Protected employee may be placed on the Area Hire list by Management for selection to an available opening at another location within the area. The number of such Protected employees made available for placement cannot exceed the number of Protected employees who have been laid off for the duration of the 48 week volume-related layoff limit (inclusive of vacation shutdown weeks). Protected employees will be made available for Area Hire placement in inverse seniority order.
- (2) A location that has no one on layoff with a seniority recall or Paragraph (64)(e) rehire right may fill a job opening with an available Protected employee from another location within the Area Hire Area pursuant to Paragraphs M (1) and (2), or an Area Hire applicant who has not been offered a job in the Area Hire Area.

The SEL will be reduced by one at the plant from which the employee is transferred and increased by one at the plant to which the employee is transferred, unless the transfer satisfied the SEL, in which case the SEL will remain the same at both plants.



An available Protected employee transferred permanently to another location may remain at the secondary location until at the employee's home location (1) there is an available opening in the regular active workforce to which the employee is entitled, or (2) the employee is recalled to Protected employee status, or (3) the employee is laid off from the secondary plant, at which time the employee will return, seniority permitting, to the active workforce.

- (F) Efforts of the local parties to improve operational effectiveness will be encouraged and supported by the national parties including, as may be appropriate, approval of requests to waive, modify or change the National Agreement.
- (G) A Protected employee will continue to receive their regular straight time hourly rate of pay. In the event a Protected employee is assigned to another classification, the employee will receive the rate of pay as provided by the Local Wage Agreement.
- (H) Protected employees' assignments will be considered temporary and not subject to provisions governing permanent filling of vacancies or the application of shift preference, except for assignments to fill openings resulting from volume increases. Experience gained from these temporary assignments will not be used to advantage such Protected employee over other employees for selection to fill permanent vacancies, nor will the Protected employee gain seniority under Paragraph (62) of the

National Agreement from such assignments.

- (I) An employee replaced by a Protected employee will receive their regular straight time hourly rate of pay, and will be returned to the same classification and job assignment upon completion of the replaced employee's assignment. In the event the employee has insufficient seniority to return to the formerly held classification, the employee will be placed pursuant to the applicable provisions of the Local Seniority Agreement.
- (J) If an employee would have been transferred pursuant to Paragraphs (63)(a)(1), (63)(a)(2), (63)(b) or (153) of the National Agreement or placed in an Apprentice program were it not for participation in a training assignment provided by this program, the employee will be transferred to this classification upon completion of the training assignment. In the event the employee would have been selected for an E.I.T. or Apprentice assignment the employee's date of entry will be adjusted as if the employee's assignment had not been delayed.
- (K) A replaced employee returned to a job assignment under this Program will be credited with all overtime hours the employee worked while out of the equalization group, but not with the overtime hours the employee would otherwise have worked in the group had the employee not have been replaced by the Protected employee.

(L) A training assignment will be voluntary on the part of an employee being replaced by a Protected employee, unless such training is to develop or improve technical skills relevant to the employee's current job assignment or anticipated future job needs.

(M) No Protected employee will be temporarily assigned to a job outside of the bargaining unit except on a voluntary basis, subject to the direction of the National Committee. Permanent transfers of Protected employees outside the bargaining unit to other Delphi-UAW represented plants within the Area Hire Area will be handled as follows:

(1) Management may place a Protected employee's name on the Area Hire list. The number of names so placed may not exceed the number of employees who have been laid off for the duration of the 48 week volume-related layoff limit (inclusive of vacation shutdown). Protected employees will be made available for Area Hire placement in inverse seniority order. Thereafter, such employees may be selected in seniority order to available jobs at other locations. The seniority used by a skilled trades employee in administering these provisions will be the employee's date of entry or Journeyman/woman date.

(2) A Protected employee who is transferred permanently out of the Area Hire Area in accordance with this paragraph, or if so transferred later accepts a recall or rehire at a former location, will be eligible to receive a

relocation allowance and other relocation services as provided in Paragraphs (96a) (1), (2), (3) and (4) of the National Agreement. A Protected employee temporarily transferred out of the Area Hire Area who does not change permanent residence as a result of the transfer will receive reasonable transportation and living expenses for the duration of the assignment. Any problems connected with the above may be raised with the National Committee.

- (N) In the event there is an opening due to a volume increase, the available Protected employee with the highest seniority will be placed in this opening, unless the Local Committee determines the employee should first complete the employee's current assignment. If seniority employees are on layoff from that plant, a number of such employees, equivalent to the number of Protected employees placed in openings due to volume increases will be recalled from layoff. A Protected employee transferred to another Delphi plant due to a volume increase who is subsequently laid off from the secondary plant due to a volume decrease will be returned to available openings at the employee's home plant, seniority permitting.
- (O) A layoff caused by an event described in Paragraph I(E) will have no impact on the number of Protected employees except for an employee who is protected from a layoff attributable to a market related volume decline in excess of 48 weeks (inclusive of

vacation shutdown weeks). In those instances, Protected employees, having the least seniority, will be laid-off and replaced by an equivalent number of greater seniority employees who would otherwise have insufficient seniority to remain in the plant.

- (P) In the event the Local or National Committee determines that the number of Protected employees exceeds the number of expected openings at the plant or in the Area within the next succeeding 12 months, special programs as set forth in Attachment A may be triggered upon prior approval of the National Committee. Thereafter, to the extent the number of Protected employees is still in excess of expected openings, such employees, under the direction of the National Committee, may be transferred out of the area pursuant to Paragraph (M). The National Committee may also explore the extension of Attachment A to other locations to create job opportunities for excess Protected employees within the Area Hire area.
- (Q) Earnings, including wages and wage related payments, received by employees while on Protected employee assignments, will be charged against the maximum liability amount. The cost of benefits and other payments made or incurred on behalf of Protected employees, specifically, health care (including dental and vision), group insurance, pensions, legal services, training fund contributions, and FICA will be charged against the maximum liability amount. Moving allowance payments and

the cost of benefits provided under Attachment A of this Memorandum of Understanding will not be charged against this liability. Earnings received and the cost of benefits and other payments made on behalf of Protected employees while assigned to fill permanent job openings resulting from volume increases or assigned to other regular and productive work (e.g., absentee replacements) will not be charged against this liability.

- (R) Charges against the Corporation's liability will commence with the first payments made to Protected employees and will continue until the maximum liability is reached or the expiration of the Program as provided in this Memorandum of Understanding, whichever occurs first. The records of such charges will be maintained by the Corporation and will be available to the Union at appropriate times.

**IV. ADMINISTRATION OF THE JOBS PROGRAM** - The Corporation and Union agree that:

- (A) At each bargaining unit covered by the current Delphi-UAW National Agreement, a Local JOBS Committee will be established to administer the Program.
- (B) The membership of the Committee will consist of the local Plant Manager, and other representatives selected by management; the local Union President, if a Delphi Corporation employee, and the Shop Committee.
- (C) The duties of the Local Committee will be:

- (1) Review local accessions and separations relative to the Unit Secured Employment Level (SEL) and the number of Protected employees.
- (2) Review the number and status of the available Protected employees on a monthly basis, specifically noting the impact on this group of attrition, volume and future manpower requirements.
- (3) Monitor the initial placement of an employee who is within the SEL and who returns to work following an event covered in Paragraphs I(B) and I(E).
- (4) Monitor the placement of Protected employees. In this regard consideration should be given to both the nature and duration of the assignment following the guidelines contained in Section III of this Memorandum of Understanding. Coordinate with the National Committee the placement of an employee outside the Area Hire as defined in Appendix A Memorandum of Understanding Employee Placement.
- (5) Monitor permanent layoffs caused by the events described in I(E).
- (6) Participate in discussions regarding sourcing decisions as outlined in Appendix L of the current Delphi-UAW National Agreement on the subject of Sourcing.
- (7) Participate in discussions regarding the

introduction of new or advanced technology as provided in the Statement on Technological Progress contained in the current Delphi-UAW National Agreement.

- (8) Review attrition and changes in the workplace. As required, develop plans to replace attrition, including the use of hires or rehires, to meet operational needs when other appropriate placement sources have been exhausted. Consistent with guidelines regarding SEL Program Administration, the local parties are required to report monthly that appropriate communications have taken place; upon the request of the National Committee, the local parties may be required to provide detailed information to support their monthly joint reports.
- (9) Review the manpower requirements of forward product, facility and business plans, maintaining the confidentiality of the material being evaluated.
- (10) Plan and coordinate the assignment of Protected employees in their home plant, the relocation of Protected employees to other plants in the area and the application of special programs to Protected employees and active work force employees as described in Attachment A to this Memorandum of Understanding.
- (11) Authorize non-traditional work assignments for Protected employees



where practicable both within or outside the bargaining unit.

- (12) Review any complaint regarding the administration of the JOBS Program. Refer unresolved complaints to the National Committee. The National Parties will limit the review of complaints to those raised, in writing, within 60 days of a SEL Benchmark Review or other event giving rise to the complaint unless the time limit is waived by the National Committee. Only those matters governing the size of the SEL-eligible population, the number of Protected employees, the SEL; or the treatment of a Protected employee as set forth in Section III of this Memorandum of Understanding will be subject to the Grievance Procedure. Such grievances will be filed at the Second Step of the grievance procedure. All other unresolved complaints will be settled expeditiously between the parties at the National level.

Disputes arising from the following matters may be submitted within fifteen (15) days of a SEL Benchmark Review to the Vice President and Director of the UAW General Motors Department and the Vice President, Human Resource Management, Delphi Corporation: (1) market-driven, volume-related layoffs; and (2) new hire obligations required pursuant to Section II(F). If unresolved, the dispute must be appealed to the Umpire within thirty (30) days of receipt of the appeal. The Umpire's

decision shall be final and binding on the parties, and the Umpire shall have the authority to enforce such decision, including the authority to order the Corporation to hire new employees required under Section II(F).

- (13) Jointly coordinate appropriate local training activities, working closely with the Local Joint Activities Committee and the Center for Human Resources (CHR) National Office to ensure that quality, cost efficient training is provided and appropriate funds are secured from both within Delphi and from external sources.
- (14) Jointly develop and initiate proposals to improve operational effectiveness to secure existing jobs, and to attract customers and additional business thus providing additional job opportunities. When required, secure necessary approvals from the bargaining unit membership and the national parties.
- (15) Make recommendations to the National JOBS Committee, as appropriate, regarding any aspect of the JOBS Program. This may include any aspect of the contractual relationship between the Corporation and the Union that is relevant to the duties of the Local JOBS Committee; e.g., Appendix A, Appendix L, and Paragraphs (59), (69), (95) and (96) of the current Delphi-UAW National Agreement.
- (16) Ensure that SEL funds are used solely for the purposes for which the Program provides protections, as specified in

Section I (C) of this Memorandum of Understanding.

- (D) A National JOBS Committee will be established at the Corporation-International Union level consisting of three (3) representatives selected from the Corporation and three (3) representatives selected by the Vice President and Director of the GM Department of the International Union, UAW.
- (E) The National Committee will be responsible to the Vice President and Director of the GM Department of the International Union, UAW and the Vice President, Human Resource Management, Delphi Corporation and will meet periodically as required to:
  - (1) Monitor the efforts of the Local Committees.
  - (2) Maintain liaison with the Joint Skill Development and Training Committee to coordinate: (a) placement efforts for protected employees, (b) assessment and training programs and (c) funding through the Joint Skill Development and Training Committee.
  - (3) Approve Local Committee efforts to improve operational effectiveness and coordinate these actions when appropriate.
  - (4) Coordinate, where applicable, the execution of Special Programs described in Attachment A as well as the placement of Protected employees. For example, where a permanent loss of jobs has occurred or is scheduled for

a location, the parties may discuss transfer of employees to another location; such a transfer could be in advance of the scheduled job loss, if it could be accomplished without adversely affecting quality and operating efficiency.

(5) Act on requests from Local Committees to waive, modify or change National Agreement provisions when such action would result in the preservation or increase of job opportunities. Such requests will be presented to the Vice President and Director of the GM Department of the International Union, UAW and the Vice President, Human Resource Management, Delphi Corporation for approval.

(6) Make quarterly reports to the Vice President and Director of the GM Department of the International Union, UAW and the Vice President, Human Resource Management, Delphi Corporation and periodically to Union and Corporate leadership regarding the operation of the Program.

(F) The National JOBS Committee is specifically empowered to periodically review and evaluate the operation of this Memorandum of Understanding and make mutually satisfactory adjustments to its provisions during the term of this Memorandum.

V. **FUNDING** - The Corporation and International Union agree that:

Notwithstanding the commitments set forth in this

Memorandum of Understanding, the Corporation's total financial liability for the cost of the JOBS Program, to be calculated as agreed between the parties, shall not exceed \$630 million during the term of this Memorandum of Understanding, adjusted by any amounts shifted between the JOBS and SUB funds. In the event this liability is reached, Protected employees will be subject to layoff. Thereafter, to the extent that layoffs of such employees are required, the provisions of the Local Seniority Agreements will apply and eligible employees will receive benefit treatment in accordance with the Supplemental Agreements attached to the Delphi-UAW National Agreement then in effect.

**VI. EFFECTIVE DATE - TERMINATION DATE**

The Corporation and International Union agree that:

- (A) This Memorandum of Understanding will become effective at each bargaining unit covered by the current Delphi-UAW National Agreement, on the Effective Date of this Agreement.
- (B) This Memorandum of Understanding shall expire with the expiration of the current National Agreement.

**International Union, (UAW)**

Richard Shoemaker  
Jim Beardsley  
Henderson Slaughter  
Joe Spring  
Scott Campbell

**Delphi Corporation**

Kevin M. Butler  
Ralph E. Handley  
Judy Matzelle  
Dave Pettyes

[See Par. ((33),(65),(66)(a),(153))]

[See Doc. 10,12,15]

[See Statement on Technological Progress]

**Appendix K**

**ATTACHMENT A  
MEMORANDUM OF UNDERSTANDING**

The National JOBS Committee may, from time to time and for specified periods, authorize the following Special Programs for designated eligible employees or may approve requests from Local JOBS Committees for implementation of such Programs. Employees must apply within the application period determined by the local parties and approved by the National JOBS Committee.

**SPECIAL PROGRAM #1  
JOBS VOLUNTARY TERMINATION OF  
EMPLOYMENT PROGRAM**

The JOBS Voluntary Termination of Employment Program (VTEP) provides a guaranteed lump-sum benefit payment subject to the conditions and limitations contained herein. This Program is applicable to an employee with at least one year of seniority who is at work or is a Protected employee on or after the effective date of the Agreement.

**Description of Program Benefits**

<b>Years of Seniority As of Application Date</b>	<b>\$ Amount</b>	<b>Allocation Period (Months)</b>
1 but less than 2	15,000	6
2 but less than 5	21,000	9
5 but less than 10	37,000	15
10 but less than 15	47,000	19
15 but less than 20	62,000	25
20 but less than 25	67,000	27
25	72,000	29

The maximum gross amount of the benefit payable under this Program is \$72,000 for employees with 25 or more years of seniority.

In no event, however, shall the amount of a VTEP payment provided under this Program exceed such amount permissible under the Employee Retirement Income Security Act of 1974 (ERISA).

An employee who accepts a VTEP payment shall be provided with basic health care coverage for a period of 6 months dating from the end of the month following the month in which the employee last worked.

An employee eligible for an immediate pension benefit under the Hourly Rate Employees Pension Plan, at the time of his/her break in service (due to participation in a VTEP), shall upon completion of the Allocation Period and application for a pension benefit under the Hourly Rate Employees Pension Plan become eligible for post retirement health care and life insurance on the same basis as other retirees. For purposes of applying the terms of the Hourly Rate Employees Pension Plan, such employees shall not be treated as deferred vested by reason of their participation in a VTEP.

#### **VTEP Payment Offsets**

Any VTEP payment to an eligible employee will be reduced by the employee's outstanding debts to the Corporation or to the Trustees of any Corporation benefit plan or program, including any unrepaid overpayments to the employee under the SUB Plan or GIS Program, Exhibits D and E, respectively, to the Collective Bargaining Agreement.

#### **Effect of Receiving VTEP Payment**

An employee who accepts a VTEP payment shall (i) cease to be an employee and shall have his/her seniority broken at any and all of the Corporation's Plants or other locations as of the last day worked subsequent to the date his/her application for a VTEP payment is received (termination date), (ii) shall have cancelled any

eligibility the employee would otherwise have had for a Separation Payment and/or Redemption Payment under Exhibits D-1 and E-1, respectively, to the Collective Bargaining Agreement, (iii) shall not be eligible to receive a mutual satisfactory retirement benefit under the Hourly Rate Employees Pension Plan, and (iv) shall not be permitted to retire under the Hourly Rate Employees Pension Plan for the number of months of the allocation period following the termination date.

An employee who receives a VTEP payment, and who is subsequently reemployed by Delphi Automotive Systems, will not be eligible for any future VTEP payments until the employee has 5 or more years seniority following such reemployment. No seniority used to determine the amount of a previous VTEP payment shall be used in determining a subsequent VTEP payment.

## **SPECIAL PROGRAM #2 JOBS PENSION PROGRAM**

### **General**

The JOBS Pension Program provides pension benefits unreduced for age, payable under the Hourly-Rate Employees Pension Plan (Exhibit A to the Collective Bargaining Agreement) subject to the eligibility terms and conditions contained in such Pension Plan, and further subject to such terms and conditions contained herein. This Program is applicable to employees who are at work or are Protected employees, on or after the effective date of the Agreement.

### **Description of Program Benefit**

An offer of Mutually Satisfactory retirement may be extended under this JOBS Pension Program to an eligible employee between the ages of 55 and 61 who has 10 or more years of credited service under the



Hourly-Rate Employees Pension Plan. Such retirement would provide unreduced basic benefits for the life of the retiree, temporary benefits payable until age 62 and one month (or if earlier, receipt of Social Security disability benefits), and any supplements they may be entitled to based on the provisions of the Hourly-Rate Employees Pension Plan and the employees' age and credited service. The annual earnings limitation provisions of the supplements shall not be applicable to any mutually satisfactory retirement.

[See Doc. 10,12,117]

**Appendix K****ATTACHMENT B  
MEMORANDUM OF UNDERSTANDING****GOALS AND  
OBJECTIVES OF JOB SECURITY AND  
OPERATIONAL EFFECTIVENESS**

The Corporation and the Union recognize that quality and operating efficiency are inextricably wed to job security, and that a high level of quality and operating efficiency requires mutual respect and recognition of each other's problems and concerns. Accordingly, in addition to the Local JOBS Committee's responsibilities for the JOBS Program and participation in discussions provided in related Letters of Understanding, each committee will focus on cooperative efforts toward our common goal to improve the effectiveness of operations and remove barriers to improvements, increase job opportunities and fully utilize the workforce. The local committees will jointly develop a plan through an exhaustive analysis of the location's operational efficiency.

Within six months of the effective date of the Agreement, each Local JOBS Committee will review with Divisional Management and the International Union the overall competitiveness of the location's products and their plans indicating actions, and/or changes needed to improve quality and efficiency at their location and to stimulate job security of the existing workforce and attract new work. Such plans must then be approved by the established National Job Security and Operational Effectiveness Committee.

At the national level, the Committee will have an equal number of Union and Corporate representatives designated by the Executive Director of Industrial Relations and by the Vice President and Director of the GM Department, International Union, UAW.

The National Committee will oversee implementation and administration of these Job Security and Operational Effectiveness Plans. Members of the National Committee will meet jointly with Local Committees to discuss the importance of job preservation and job creation, the reasons for the commitment to increase operational efficiency, suggest possible topics for consideration, and encourage good-faith efforts to develop and implement meaningful local plans.

The National Committee will be available on an ongoing basis as a resource to Local Committees and will review progress at the local level at least on an annual basis.

In these efforts, it is recognized that a great deal of initiative and imagination will be required by the local parties. While not intended to limit such innovation, the following are examples of appropriate areas the local parties may address:

- 1) identification of investments in the facility or equipment necessary to improve product quality or operational effectiveness;
- 2) the establishment of a team concept and/or pay-for-knowledge wage structure;
- 3) the identification of non-labor cost savings and efficiencies;
- 4) procedures and plans to review past outsourcing and outside contracting decisions, and identify opportunities for insourcing and new business;
- 5) the examination of new forms of work organization, such as job assignments relating to Just-in-Time or other quality enhancement systems;
- 6) procedures to review supervisory staffing and

support for the initiatives in this Job Security and Operational Effectiveness section of the JOBS Program;

7) a realignment in skilled classifications to a number of appropriate basic trades to support the needs of the operation or location;

8) the implementation of skilled trades team concepts;

9) initiatives to reduce chronic absenteeism;

10) procedures for improved access by the Local Joint Committee to product plans and other information affecting employment security and operational effectiveness, assuring confidential treatment of such information;

11) the establishment of work standards on operations that fully utilize employees;

12) the examination of alternative work schedules which provide greater employment opportunities.

Efforts of the local parties to improve operational effectiveness may require change or waiver of certain agreements or practices. It is understood that any such waivers, modifications or changes would not be effective unless agreed to by the local parties involved and approved in writing by the Delphi Corporation Labor Relations Staff and the General Motors Department of the Union. Such changes would be effective only at the location(s) specifically designated.

[See Par. (82)]

[See CSA #11]

## **APPENDIX L**

### **SOURCING**

During these negotiations, the Union raised numerous concerns about the Corporation's sourcing actions and the impact on employment opportunities. To that end, the Corporation will work with and assist the Union at both the Local and International levels to preserve jobs, replace jobs which may be lost by outsourcing action and to create jobs for Protected employees and laid off employees. It is an objective of the Corporation to grow the business and to continue to rely upon its employees and facilities as the source of its products. During the life of the current Agreement, the Corporation will advise, in writing, the Union members of the Sourcing Committee of the Labor Policy Board meeting results relative to sourcing recommendations, including the number of potential jobs affected. Additionally, data regarding incoming and outgoing work will be given to the International Union in a quarterly meeting. (The Corporation will provide inquiry access to the International Union through the use of a computer terminal.) In this manner, the parties can judge the success of mutual efforts toward improved job security. The Corporation agrees to incorporate the procedures and structure outlined herein when making sourcing determinations during the current Agreement.

The rationale for sourcing actions will consider the criteria of quality, technology, cost, timing, statutory requirements, occupational and related environmental health and safety issues, the impact on long-term job stability, the degree to which the Corporation's resources can be allocated to further capital expenditures, the overall financial stability of affected facilities, and the impact on related facilities. Other factors considered by the Corporation before a final sourcing decision is made will include the effect on

employment, and job and income security costs, on both a short and long-term basis. Such criteria shall give equal weight to the full impact of a sourcing action on Delphi-UAW represented employment levels and the job and income security of Delphi-UAW represented employees. The National Parties will jointly further develop the above criteria to be used to address sourcing issues. In developing this criteria transfer pricing profits will not be considered in making sourcing decisions. Only appropriate return on investment and burden will be considered.

Following the development of the sourcing criteria, the National Sourcing Committee may form Joint Task Forces to ensure full implementation of such criteria throughout the Corporation and, on an as needed basis, to address any specific sourcing areas of concern identified by the Union. Pertinent criteria will be applied consistently in comparisons of internal and external supply capability. The International Union and where appropriate the local union will be provided full and timely access to all appropriate data, including financial information, that is pertinent to evaluate product competitiveness and contemplated sourcing. The Union agrees to keep all such information confidential until the Corporation consents to its release. Further, in this regard, the plant Chairperson will designate in writing those Union representatives who will have access to the quote package and related information.

If the Local Committee cannot resolve a sourcing issue, it may file a grievance at the second step of the grievance procedure.

In addition, the following specific commitments have been made to address sourcing-related job security concerns of UAW members:

## 1. Insourcing

The Local JOBS Committee will discuss the practicality of insourcing, in whole or in part, work previously outsourced or new work which the Committee identifies as that which might be performed competitively within the location based on the criteria outlined above. To assist in this process, the International Union will be furnished a complete master file of commodities which will be used to generate a list of parts similar to those currently manufactured at the location that have been (1) outsourced from that location or (2) are currently manufactured by non-Delphi-UAW suppliers for Delphi Corporation. This list will be updated and expanded to include supplier expiration dates, supplier location (city and state), annual volume, and Union affiliation if known and will be furnished quarterly or as otherwise agreed by the National Parties. Thereafter, the parties will initiate efforts to insource particular work consistent with the aforementioned criteria to create prospects for growth and to provide jobs for Protected employees and employees on layoff.

If it is established that certain work can be performed competitively judged by the above criteria, management will adopt the Committee's proposal and barring unique or unforeseen circumstances, bring the work in-house. The Union shall thereafter obtain any necessary approval or ratification within 30 days of the decision to bring the work in-house.

Upon the National Sourcing Committee receiving written verification from the local JOBS Committee, insourcing credit will be given when:

Work previously outsourced (as documented in the sourcing database) is subsequently insourced and the local JOBS Committee verifies the actual employee impact on the plant floor; or

Work currently performed by an outside supplier that has never been produced inside the Corporation is subsequently insourced and the local JOBS Committee verifies actual manpower impact on the plant floor.

As an insourcing incentive, any work not covered in the two preceding paragraphs, which the Corporation contemplates producing in a UAW-represented location(s) and for which it desires insourcing credit, will be considered for such credit by the National Sourcing Committee, upon request from the local parties.

The National Parties recognize the importance of the local JOBS Committee reviewing the insourced jobs on the plant floor for accurate employee verification relative to insourcing notices.

## 2. Outsourcing

Outsourcing as used herein means the Corporation's sourcing of work from Delphi-UAW locations, including work connected with current, new or redesigned components and fabricated parts.

When the quoting process begins, the local Union at the affected location(s) will review and have access to the entire request for quotation package for this work along with cost book information. Upon receipt of this package at the plant, the Chairperson and the Personnel Director will indicate on the accompanying notice (Notice of Potential Outsourcing) that the information has been received. This notice will include a description of the work involved and will be mailed to the Vice President and Director of the General Motors Department of the UAW, and the Executive Director, Industrial Relations, Delphi Corporation.

Following receipt of the request for quotation package (or in the infrequent instances where a quote



package is not utilized), the local parties will have the opportunity to jointly develop a plan to perform the work competitively, judged by the criteria listed earlier in this Appendix. The local Union will be provided full and timely access to all appropriate data, including financial information that is pertinent to evaluate product competitiveness and the potential sourcing action. Prior to submission of the initial quote response, the information contained therein will be reviewed by the local parties.

At the close of the quoting process, the local parties will be advised in writing of the most favorable quote response which best meets customer requirements and the terms and conditions contained therein. If this quote response is other than the one submitted by the affected location(s), a written notice will be issued to the Chairperson which includes the reason for the potential outsourcing, the quote price from the affected location, if applicable, the terms and conditions of the most favorable quote response, the potential jobs impact, and the anticipated impact date. Thereafter, the local parties will be given an additional 30 days, or longer when possible, to meet the terms and conditions of the quote response referenced above. A copy of this notice will be sent to the Executive Director, Industrial Relations, Delphi Corporation and the Vice President and Director of the General Motors Department of the UAW.

If it is established that the work can be performed competitively, judged by the criteria listed earlier in this Appendix, Management will, barring unique and unforeseen circumstances, keep the work in-house. The Union shall thereafter obtain any necessary approvals or ratification within 30 days of the decision to keep the work in-house.

The sourcing authority will not enter into a contractual relationship with a non-Delphi-UAW

supplier until such time as the designated management representative of the impacted location provides written verification that the above notification procedure and discussion by the JOBS Committee, has taken place.

Additionally, International Union input will be sought by the Corporation and its Divisions as early as possible in the outsourcing decision-making process in order to allow for more thorough discussion and to permit the parties to better assess the impact of outsourcing on the long-term job stability of employees and the financial viability of given Corporate locations.

The Corporation agrees to a full disclosure to the International Union of the procedures utilized in sourcing activities.

### 3. Temporary Outsourcing

The National Parties agree that temporary outsourcing is not intended to provide a means for circumvention and abuse of the normal outsourcing notification procedures outlined in this Agreement. Outsourcing notices issued for temporary situations such as: breakdown of machinery or equipment, plant rearrangement and/or modernization, spot buys, model changeovers, and factory assists, etc., will be incorporated in the Quarterly Sourcing Report. By incorporating these occurrences in the Quarterly Sourcing Report, it is mutually understood that legitimate temporary outsourcing will not be considered in determining the Corporation's hiring requirements, pursuant to Appendix K, due to the scheduled return of the outsourced work.

The National Parties will monitor all temporary outsourcing to assure the return of such work in a timely fashion in keeping with the intent of this Appendix and Appendix K.

Beginning with the effective date of this Agreement, Temporary Outsourcing Notices which remain open 30 days beyond the date the work was projected to be returned will be converted to permanent notices and the manpower associated with the work will be counted in the Net Sourcing calculation under Appendix K. Upon return of the work after a notice has been converted to permanent status, a notice of insourcing will be issued to the impacted location.

The Parties understand that circumstances do arise wherein the projected return date of temporarily sourced work legitimately requires an extension and the above provisions are not intended to create Appendix K liabilities in those circumstances.

Any questions or problems that may arise relative to the meaning and intent of this understanding will be reviewed and resolved by the National Parties on a case-by-case basis.

#### 4. Future Product Sourcing

Delphi Corporation and the UAW recognize that early Union involvement in product development is key to the future success of Delphi and the International Union. In that regard, the Corporation and its Divisions will provide the International Union with early knowledge and the opportunity for input to sourcing decisions for current, redesigned, new and future systems, subsystems or component parts, products, and new technologies, both automotive and non-automotive.

In order to accomplish this information sharing, on a semi-annual basis, a confidential review of new technologies, including "on the shelf" items as well as technologies in development within the Innovation Centers will be attended by the Vice Chairman and Chief Technology Officer for Delphi Corporation, the Vice President, Human Resource Management,

Delphi Corporation and the Vice President and Director of the General Motors Department of the UAW. In reviewing the above listed processes and technologies, additional Corporate representatives may be invited to attend this meeting so that any input from the UAW related to Industrial Relations, Enterprise Technology, Business Sectors and Innovation Centers can be understood and considered in contemplated sourcing decisions.

Additionally, the Assistant Director of the UAW National Sourcing Department will attend a monthly meeting of the Corporation's Sector and Divisional Presidents in order to discuss potential insourcing opportunities and outsourcing issues as well as to offer the UAW's perspectives on other Delphi business opportunities related to the above listed processes and technologies.

Bi-monthly Divisional reviews with the members of the National Sourcing Committee, the International UAW Servicing Representatives and the Divisional Business Line Executive will be scheduled to review the above listed processes, sourcing issues and technologies, as well as current and future programs. Information discussed at this meeting will typically include program objectives, major program milestone dates, marketing objectives, customer requirements, potential manufacturing capabilities, capacities, and technology issues.

Additional product reviews with Business Line Executives will be held bi-monthly or as required. Members of the UAW National Sourcing Committee and the UAW International Servicing Representatives shall have the responsibility for working with Business Line Executives and other appropriate Corporation personnel to ensure proper implementation of the Appendix L provisions and commitments related to the above listed processes, sourcing issues and technologies.

Furthermore, the UAW-Delphi Future Product Representative will interface with appropriate Business Line personnel, such as Product Line Managers, so as to gain information and knowledge and to provide input into developing successful business cases to implement the sourcing objectives and commitments outlined in Appendix L.

The Corporation agrees not to use the results of such discussions to obtain more attractive contract terms from outside suppliers in lieu of keeping the work in-house.

If requested, higher level meetings or discussions on these matters will be scheduled.

The implementation of this process should provide the parties with the mechanism to enhance opportunities to utilize internal resources and to competitively grow the business within UAW represented facilities. Any changes to the Corporation's organizational structure, product development process or business practices will not be used to circumvent or reduce UAW involvement.

The commitments expressed in this Appendix are intended to contribute significantly to our cooperatively working together to provide Delphi employees in the United States improved job security by growing the business.

## **MEMORANDUM OF UNDERSTANDING JOINT ACTIVITIES**

During current negotiations, the parties discussed the challenges in the marketplace from both foreign and domestic competitors. There is mutual recognition that these challenges require a fundamental change to maximize the potential of our human resources. This change can occur only by building on our current joint efforts and by fostering a spirit of cooperation and mutual dedication that will permit the full development of the skills of our people and meaningful involvement in the decision-making process. Success in these endeavors benefits all of the parties: the UAW through a strong and viable membership; the employees through job satisfaction and job security; and the Corporation through achieving its goal of becoming a world class competitor.

The parties agree that in order to make constructive progress in this regard, there is a need to reach a common understanding of the concept of "jointness" and to establish a facilitating mechanism to assure that the various programs related to changes in the work environment are appropriately and effectively administered.

The term "jointness" is understood to mean that concepts for these activities be jointly developed, implemented, monitored, and evaluated. Furthermore, decisions must be arrived at in a setting which is characterized by the parties working together in an atmosphere of trust; making mutual decisions at all levels which respect the concerns and interests of the parties involved; sharing responsibility for the problem solving process; and sharing the rewards of achieving common goals.

The parties agree that the appropriate facilitating mechanism for joint endeavors is the Executive Board - Joint Activities (Executive Board).

# **I. EXECUTIVE BOARD-JOINT ACTIVITIES**

It is agreed the Co-Directors of the Executive Board will be the Group Vice President, Manufacturing and Labor Relations of General Motors Corporation and the Vice President and Director of the GM Department of the UAW. Each will appoint an equal number of persons as members of the Executive Board. The Vice President, Human Resource Management, Delphi Corporation will also serve as a member of the Executive Board.

The Executive Board will actively direct and support the National Joint Skill Development and Training Committee, the National Joint Committee on Health and Safety, the National Committee on Attendance, the National Work/Family Program Committee, the Tuition Assistance Program, JOBS Program, Paid Educational Leave, and other national joint committees and activities as may be mutually agreed to by the Union and the Corporation.

The duties and responsibilities of the Executive Board will include, but not be limited to, the following:

- A. Setting policies and providing guidelines;
- B. Allocating funds for projects and activities;
- C. Monitoring expenditures for approved projects and activities;
- D. Coordinating the efforts of the National Committees referred above;
- E. Evaluating and auditing the ongoing performance and results of these committees;
- F. Review and approve proposals for National meetings, conferences, and workshops;
- G. Integrate Joint Activities with Corporate structures and business decisions;

**H. Keeping UAW leadership and Corporate management informed of joint Union-Management activities and the progress of the national committees in achieving their objectives, including convening regular joint meetings at the Division and Staff level to promote the coordination, delivery and implementation of effective human resource development programs and processes throughout the plants as well as to share appropriate business and joint activity information.**

The Vice President, Human Resource Management, Delphi Corporation and the Vice President and Director of the GM Department of the UAW will appoint an equal number of representatives from their organizations to serve on the Joint National Committees. Additional persons external to either party may also be appointed with the mutual approval of the Co-Directors.

## **II. LOCAL JOINT ACTIVITIES COMMITTEE**

During current negotiations, the parties discussed the need to focus the responsibility for all local joint activities on those individuals who have primary responsibility for their success and to enhance their effectiveness through improved information sharing, priority and goal setting, resource allocation and the elimination of duplication.

Accordingly, the parties agree that the appropriate local facilitating mechanism for all local joint activities is the Local Joint Activities Committee consisting of the President of the Local Union, Shop Committee Chairperson and members of the Shop Committee, Plant Manager, Personnel Director and other appropriate Management Representatives. The Local Joint Activities Committee is responsible for actively supporting and directing the Local Joint Skill Development and Training Program, Local Human Resource Development



Process, Local J.O.B.S. activities and to provide coordination among all other local joint activities such as Health and Safety, Work/Family, Quality Network, etc. The UAW Regional Director and/or their representatives should be fully involved regarding joint activities including actions of the Local Joint Activities Committee.

The duties and responsibilities of the Local Joint Activities Committee include the following:

- A. Provide structure for integrating all joint efforts.
- B. Set local policies/guidelines to enhance each joint activity.
- C. Integrate joint activities with business operations through a joint planning process.
- D. Allocate and monitor local joint funds and other resources in accordance with this memorandum and national guidelines in support of all joint activities.
- E. Insure UAW Joint Training Representative(s) are involved in the preparation of training budgets/plans directed at UAW represented Delphi employees.
- F. Monitor and evaluate the performance and results of joint activities and provide positive recognition and/or corrective direction as required.
- G. Regularly exchange information on plant operations and communicate appropriate information to all employees.
- H. Keep UAW/Corporation leadership including the Executive Board - Joint Activities informed of the status and progress of joint activities.

**I. Approve and implement training plans directed at UAW represented Delphi employees.**

Additionally, the Joint Activities Annual Summary should serve as the reporting mechanism to the Center for Human Resources (CHR) and must be submitted to the CHR by January 31 each year by the Joint Activities Representative(s).

The Union will be fully involved in all phases of training including analysis and development that is directed at UAW-represented employees. When such employees will be impacted by training and manual specifications for equipment and manufacturing systems, Union input with respect to development and delivery of training will be obtained by either Management's Divisional or plant training personnel prior to Delphi signing off on the specifications.

In situations where mutual agreement regarding joint activities cannot be reached locally, either party may appeal the issue to the National Joint Skill Development and Training Committee for resolution.

**III. FUNDING**

**A. NATIONAL FUNDS**

It is agreed that the Corporation will make available funding at five cents (5¢) per hour worked for use at the national level. Further, the Corporation will make available additional funding up to \$5.00 per overtime hour worked in incremental amounts in excess of five percent (5%) of straight time hours worked (calculated on a twelve month rolling average). Such additional funding will be calculated in accordance with the following incremental table:

Overtime Hours as Percent of Straight Time Hours	Additional Amount Per Hour
5% or less	\$0.00
Greater than 5% thru 12%	1.25
Greater than 12% thru 13%	1.50
Greater than 13% thru 14%	2.00
Greater than 14% thru 15%	2.50
Greater than 15% thru 16%	3.00
Greater than 16% thru 17%	3.50
Greater than 17% thru 18%	4.00
Greater than 18% thru 19%	4.50
Greater than 19%	5.00

#### **B. RESERVOIR AND LOCAL FUNDS**

It is agreed that the Corporation will make available funding at ten cents (10¢) per hour worked for use either in the plants (LOCAL FUNDS) or certain nationally approved projects (RESERVOIR FUNDS). The parties will allocate the ten cents (10¢) between LOCAL FUNDS and RESERVOIR FUNDS on an as required basis over the term of the Agreement. Funds allocated as RESERVOIR FUNDS may be used for national activities, upon approval of the Executive Board - Joint Activities.

#### **C. FUNDING UNDER 1999 NATIONAL AGREEMENT**

It is agreed that uncommitted funding balances accrued under the 1999 National Agreement in both the five cents (5¢) per hour fund and the ten cents (10¢) per hour (LOCAL FUNDS) and (RESERVOIR FUNDS) as of September 18, 2003 will be carried forward under the new National Agreement. Subsequent to September 18, 2003 a final reconciliation and balancing of

accounts, expenditures and commitments as of September 18, 2003 will occur. Thereafter, the remaining funds will be available for the parties.

#### **D. AGREEMENT EXPIRATION**

In the event the parties should agree to discontinue, in whole or in part, this Memorandum prior to the expiration date of the new National Agreement, or upon expiration, the parties shall meet to discuss any problems arising out of the termination. After reconciliation of claims, commitments, and accruals through the expiration date of the new National Agreement, remaining NATIONAL, RESERVOIR and LOCAL FUNDS shall be disposed of in such manner as the parties shall agree consistent with the objectives of this Memorandum.

#### **IV. APPROVAL PROCESS**

##### **A. NATIONAL AND RESERVOIR FUNDS**

Requests for authorization to expend either NATIONAL FUNDS or RESERVOIR FUNDS must be approved in advance by the National Joint Skill Development and Training Committee and the Executive Board - Joint Activities.

##### **B. LOCAL FUNDS**

Requests for authorization to expend LOCAL FUNDS must be jointly approved by the local parties. In addition, certain requests, specified in the - Center for Human Resources Funding Guidelines, must receive prior approval from the National Joint Skill Development and Training Committee. In situations where mutual agreement regarding fund approval cannot be reached locally, either party may appeal the issue

to the National Joint Skill Development and Training Committee for resolution. When the local parties authorize funds for Human Resource Development endeavors, the proposal must be forwarded to the National Joint Skill Development and Training Committee for review and monitoring in accordance with its guidelines.

## **V. FUNDS UTILIZATION**

The NATIONAL, RESERVOIR and LOCAL FUNDS may only be used for joint endeavors in furtherance of this Memorandum of Understanding, or in support of those Joint National Committees specified in Paragraph I above. Definitive guidelines will be jointly reviewed and communicated subsequent to ratification. The parties are specifically empowered to review and evaluate this Memorandum and the guidelines and make mutually satisfactory adjustments and modifications during the term of this Agreement.

Following are illustrative examples of appropriate uses of the various funds.

### **EXAMPLES OF APPROPRIATE FUNDS UTILIZATION**

#### **A. NATIONAL FUNDS**

- National efforts to assist laid-off workers
- Area efforts to assist laid-off workers
- Local efforts to assist laid-off workers
- Specific projects dealing with active workers
- Tuition Assistance Program

- National Office
- Joint National Studies
- Joint National Pilot programs
- Joint National Training efforts
- Joint National Agreement administration

#### **B. RESERVOIR FUNDS**

- Training of active employees when local funds have been exhausted.
- Training of active employees at new, reopened or retooled plants where sufficient local funds have not been generated.
- Area, group, multi-plant divisional, etc., meetings or training.

#### **C. LOCAL FUNDS**

- Training efforts of active employees in job related skills, basic education enhancement, interpersonal skills and Human Resource Development.
- Specific studies, pilots, activities, etc. agreed to by the National Parties.

#### **EXAMPLES OF INAPPROPRIATE FUNDS UTILIZATION**

It is understood that FUNDS at any level may not be utilized for contractually specified training such as apprentice training nor for funding of time off the job of designated or elected UAW representatives routinely functioning in administration of the contract. In addition, FUNDS should not be used to train employees who will be required to service newly introduced technology. However, subsequent general training of

other tradespersons on this equipment to broaden their skills is appropriate. Further, FUNDS should not be used for the training of tradespersons to implement a newly negotiated change in classifications, however, the use of FUNDS to freshen or update generally the skills of tradespersons is appropriate.

It is understood that nothing in this Memorandum limits the rights of either party to provide education and training programs on the same, similar or other subjects.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives on this 18th day of September, 2003.

**International Union, UAW**

Richard Shoemaker  
Jim Beardsley  
Henderson Slaughter  
Ron Bieber

**Delphi Corporation**

Kevin M. Butler  
Ralph E. Handley  
Darrell R. Kidd  
Bernard J. Quick  
Thomas B. Arnold

[See See Memo-Overtime]  
[See Doc. 46,103,108,109,110]

## **MEMORANDUM OF UNDERSTANDING JOINT SKILL DEVELOPMENT AND TRAINING**

Delphi Corporation and the UAW reaffirm the need to continue and expand the Joint Skill Development and Training Program. Furthermore, the parties pledge to continue providing the resources necessary to assure that all employees receive training and development opportunities in order to produce a highly motivated, capable workforce that continually improves its own, and the Corporation's ability to succeed in an increasingly competitive industry. The Union will be fully involved in all phases of training including analysis and development that is directed at UAW-represented employees.

### **I. NATIONAL JOINT SKILL DEVELOPMENT AND TRAINING COMMITTEE**

This National Committee will promote and direct the development and implementation of skill development and training activities, including technical training for active and dislocated employees. Delphi and the UAW strongly encourage all employees to avail themselves of these activities.

Training and job placement efforts for dislocated workers will be focused on finding comparable employment as soon as possible. In cases involving employees facing indefinite layoff where recall or future Delphi placement is unlikely, the parties agreed that efforts will include pre-layoff meetings. Guidelines and services for dislocated workers will be developed and approved by the Executive Board-Joint Activities.

In order to insure that Training activities improve the performance of the enterprise and provide participants with enhanced job security, it is essential that Joint Skill Development and Training activities be integrated with the corporation structures and business decisions. Therefore, the National Parties agree that the National



Joint Skill Development and Training Committee will establish and maintain close communication with Corporate and Divisional staffs and training functions to assure that the parties at all levels contribute to the development of effective joint training and development initiatives and utilize the resources and facilities of the Center for Human Resources to disseminate effective training and development practices. The parties at all levels should utilize the resources and facilities of the Center for Human Resources in developing and implementing joint training efforts.

The duties and responsibilities of the National Committee will include the following:

- Meet at least quarterly at jointly agreed upon times and places.
- Make available training resources to capacitate the Local Joint Activities Committees and additional local training personnel.
- A review of roles and responsibilities of Doc. 46 Human Resource Development Representatives (HRDs), Joint Training Representatives (JTRs) and Joint Activities Representatives (JARs) in order to provide training to ensure the effectiveness of these joint activities.
- Conduct annual joint programs representatives' training needs analysis and schedule required training.
- Identify Skill Development and Training needs for active employees in the areas of basic education, job-related and interpersonal skills.
- Design promotional materials and activities to encourage the expansion of joint Union-Management efforts in our society.
- Sponsor appropriate activities to provide a forum for national experts from labor, academia, business and

government to convene and deliberate upon the future of Human Resource Development.

- Authorize studies, demonstration projects and research activities on topics of mutual interest and importance.
- Monitor and evaluate National and Local Joint Skill Development and Training Activities and provide status reports to the Executive Board - Joint Activities.
- Develop and rollout a comprehensive program for use at plants in their efforts to conduct training needs analysis, task analysis, training plans and maintain training records.
- Joint Activities, Human Resource Development and Joint Training Representatives Workshops may be scheduled during the term of the Agreement as determined by the Vice President and Director of the UAW-GM Department and the Vice President, Human Resources Management.

## II. OTHER JOINT ACTIVITIES

In addition to its previously described duties, the National Joint Skill Development and Training Committee will support other joint National Committees by:

1. Coordinating requests to the Executive Board for funding of joint activities, studies, pilot programs, training, etc.;
2. Providing professional and staff support for joint program development, implementation and administration;
3. Providing facilities as required for joint program development, implementation and administration;
4. Providing appropriate communication vehicles or information sharing processes for joint activities;

5. Providing mechanisms, facilities and staff to monitor, audit, and evaluate joint activities; and

6. Coordinating joint efforts, projects, and the various national committees on behalf of the Executive Board - Joint Activities.

### III. RESPONSIBILITIES/LOCAL JOINT ACTIVITIES COMMITTEE

The Local Joint Activities Committee, as described in the Memorandum of Understanding - Joint Activities, will be responsible for the Local Joint Skill Development and Training Program. Additionally, the Local Joint Activities Committees will identify resources to assure that a comprehensive annual training needs analysis is conducted based on plant business plan information. Locally approved training identified in the needs analysis and the necessary resources to conduct such training should be integrated into the business planning process. Also, the Local Joint Activities Committee will assure that training programs are readily available which enable employees to improve upon and upgrade their basic education, job, and interpersonal skills.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives on the 18th day of September, 2003.

**International Union, UAW**

Richard Shoemaker  
Jim Beardsley  
Henderson Slaughter  
Ron Bieber

**Delphi Corporation**

Kevin M. Butler  
Ralph E. Handley  
Darrell R. Kidd  
Bernard J. Quick  
Thomas B. Arnold

[See Memo-Human Resource Development]

[See Doc. 46]

[See CSA #18]

## **MEMORANDUM OF UNDERSTANDING HUMAN RESOURCE DEVELOPMENT**

A landmark letter appeared in the National Agreement in 1973 which recognized the desirability of mutual organizational change efforts designed to improve the quality of work life of employees and the success of the Corporation. Going forward, Delphi Corporation and the International Union, UAW, have agreed that a single focus must be communicated throughout the organization.

This focus should revolve around people and the beliefs and values of the Quality Network, recognizing that the total involvement of people in all that we do is essential to job security and the success of both the UAW and the Corporation.

In accordance with this focus, the parties recognize that all joint activities will continue to encompass a philosophy that emphasizes joint relationships built on mutual trust, cooperation and respect.

Therefore, the parties agree that all processes directed at developing our human resources will be jointly developed, implemented, monitored and evaluated.

The parties further recognize the need for organizational strategies that focus on large systems change and the integration of all people involvement efforts. Joint resources will be provided to support this objective.

The National Joint Skill Development and Training Committee composed of representatives of the International Union and the Corporation will have responsibility for:

- Promoting and initiating processes, projects, and training that enhances the development of our human resources;

- Making Human Resource Development Training available for UAW International Representatives and local union and management representatives who initiate joint processes;
- Sponsoring joint training conferences for those individuals responsible for coordinating/consulting Human Resource Development activities;
- Convening joint Corporate, Divisional and UAW Regional Human Resource Development leadership conferences;
- Providing information to local parties on the availability of resources including consulting and training;
- Assuring that joint Union and Management groups at the local level receive consultative support and assistance as requested;
- Assuring that consultative resources are established and maintained at the Center for Human Resources;
- Publishing Human Resource Development guidelines and materials;
- Approving and monitoring the use of non UAW-Delphi consultants.

The Local Joint Activities Committee will be responsible for local Human Resource Development processes, setting goals and policy direction consistent with guidelines established by the National Joint Skill Development and Training Committee and will jointly guide, maintain and evaluate the process.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives on the 18th day of September, 2003.

**International Union, UAW**

Richard Shoemaker  
Jim Beardsley  
Henderson Slaughter  
Ron Bieber

**Delphi Corporation**

Kevin M. Butler  
Ralph E. Handley  
Bernard J. Quick  
Thomas B. Arnold

[See Memo-Joint Skill Development]

[See Doc. 43,46,106,110]

## **MEMORANDUM OF UNDERSTANDING TUITION ASSISTANCE PLAN**

During current negotiations, Delphi Corporation and the UAW reaffirmed the necessity of providing active and laid-off workers opportunities for education and training. These efforts will enable them to either re-enter the work force or enhance their development. Accordingly, the parties agree to continue the Tuition Assistance Plan for all qualifying workers who wish to pursue further education and training. The plan is designed to help workers:

- Who are laid off, improve their chances for re-employment
- Or who are active, enhance their opportunities for advancement.

Under this Plan, qualified workers are able to receive assistance in the form of up-front payment to licensed or accredited schools such as colleges, universities, proprietary schools or vocational institutions. The Plan permits workers to select virtually any type of vocational training or education, for their situation and goals, subject to approval by the Center for Human Resources.

### **TUITION ASSISTANCE PLAN FOR LAID OFF WORKERS**

#### **Eligibility**

The participant must be a UAW represented Delphi Corporation U.S. worker on indefinite layoff, who has recall or rehire rights under the terms of the current Delphi-UAW National Agreement, and who had at least one year seniority as of the last day worked prior to layoff.

## **Courses**

Suitable courses are those required for adult basic education, high school completion or high school equivalency certification, university, college, business, trade or vocational school courses or adult education classes.

## **Schools**

Acceptable schools are those approved by the Center for Human Resources including, but not limited to those generally recognized by accrediting agencies, or under governmental education agencies.

## **TYPE OF ASSISTANCE**

The Plan will provide for tuition and compulsory fees to be paid directly to the schools providing the course in which the applicants are enrolled. There shall be no duplication of tuition fees already covered by other state or federal education assistance plans or programs. Maximum eligibility under this Plan is \$8,400 of tuition assistance while on indefinite layoff. Eligibility is established by seniority as of last day worked prior to layoff as follows:

### **SENIORITY AS OF DATE OF LAYOFF**

- 1 to 3 Years \$6,400
- 3 to 4 years \$7,400
- 4 or more Years \$8,400

The above specified amounts shall constitute an account upon which the worker may draw so long as the individual retains recall or rehire rights while on indefinite layoff. Certain changes in employment status will affect eligibility. If recall or rehire rights are lost under the terms of the Delphi-UAW National Agreement, or full-time employment is accepted that would pay wages comparable to those on the former job



at Delphi Corporation, or if similar training programs are provided by a new employer, eligibility will cease. Continued eligibility will depend upon satisfactory completion of courses in which the employee has enrolled and compliance with other provisions of the Plan. In no event shall total assistance to an employee exceed \$8,400 in any four calendar year period.

## **TUITION ASSISTANCE PLAN FOR ACTIVE WORKERS**

### **Eligibility**

The participant must be a UAW represented Delphi Corporation-U.S. worker on the active employment rolls or on temporary layoff with seniority under the terms of the current Delphi-UAW National Agreement. Also included are union officials on leave under the provisions of Paragraph (109) who are functioning in positions at Delphi Corporation locations or special assigned Delphi-UAW employees on leave under the provisions of Paragraph (109a) who are assigned at UAW-Delphi facilities. Additionally, the spouse or dependent children of a deceased, active employee will be entitled to:

- Spouse

Utilize the remaining balance of the employee's current National Agreement Tuition Assistance eligibility (excluding any advance payment) for college or educational pursuits during a period equal to the length of the present Agreement following the date of the employee's death.

A one-time payment up to a maximum of \$300 of the remaining balance may be used for jointly approved financial counseling.

The benefit is not to exceed the maximum annual benefit allowed in each year following the employee's date of death.

• Dependent Children

In the event that the decedent's spouse does not use this benefit, the dependent children of a deceased, active employee will be entitled to:

Utilize the remaining balance of the employee's current year's Tuition Assistance eligibility (excluding any advance payment) for college or educational pursuits during a period equal to the length of the present Agreement following the date of the employee's death.

**Type of Assistance**

The Plan will provide for tuition and/or compulsory fees to be paid directly to the schools providing the course in which the applicants are enrolled. There shall be no duplication of tuition or fees already covered by state or federal education assistance plans or programs. The following courses shall entitle individuals to those benefit levels specified below:

- \$4,600 per year for courses at regionally accredited colleges or universities of which \$100.00 may be used for the purchase of books.
- Advance Payment

Employees enrolled in college degree programs through accredited institutions, who exhaust their current year tuition eligibility, may utilize up to \$1,000 of the following year's eligibility to cover the present or next semester eligible expenses. This advance payment is provided only in conjunction with courses offered at regionally accredited colleges or universities on a semester or quarterly basis and is not available for job related or personal enhancement classes. Advance payment of up to \$1,000 will occur automatically when the employee's request for tuition assistance exceeds the current year eligibility.

Advance payment is not available in the last calendar year of Agreement, and does not expand total tuition assistance eligibility over the life of the present Agreement.

- \$2,200 per year for other job related courses
- \$1,450 per year for courses not related to the employees current job assignment through acceptable schools including those accredited by recognized accreditation agencies, those approved by Government Education or Training Programs, or certain specified others. The Center for Human Resources will publish a listing of approved courses of study.

In no event shall the total assistance to an employee exceed \$5,600 in a twelve-month period. All courses are subject to approval by the Center for Human Resources.

### **Funding**

The plan shall be funded by the Joint Skill Development and Training Committee upon approval of the Executive Board - Joint Activities.

### **Administration**

The Plan will be jointly administered by the Center for Human Resources.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives on this 18th day of September, 2003.

#### **International Union, UAW**

Richard Shoemaker  
Jim Beardsley  
Henderson Slaughter  
Ron Bieber

#### **Delphi Corporation**

Kevin M. Butler  
Ralph E. Handley  
Bernard J. Quick  
Thomas B. Arnold

[See Par. (127)(g)]  
[See Doc. 102,125]

**PLANT CLOSING AND SALE MORATORIUM**

**DELPHI CORPORATION**

September 18, 2003

Mr. Richard Shoemaker  
Vice President and Director  
General Motors Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Shoemaker:

Subject: Plant Closing Moratorium

As a result of your deep concern about job security in our negotiations and the many discussions which took place over it, this will confirm that during the term of the new Collective Bargaining Agreement, until September 14, 2007, the Corporation will not close, nor partially or wholly sell, spin-off, split-off, consolidate or otherwise dispose of in any form, any plant, asset, or business unit of any type, beyond those which have already been identified, constituting a bargaining unit under the Agreement.

In making this commitment, it is understood that conditions may arise that are beyond the control of the Corporation, e.g., act of God, and could make compliance with this commitment impossible. Should such conditions occur, the Corporation will review both the conditions and their impact on a particular location with the Union.

Should it be necessary to close a plant constituting a bargaining unit consistent with our past practice, the

A-B To Kidd Declaration Pg 121 of 210  
**PLANT CLOSING AND SALE MORATORIUM**

Corporation will attempt to redeploy employees to other locations and, if necessary, utilize the "Special Programs" identified in Appendix K of the Delphi-UAW National Agreement or other incentivized attrition programs as agreed to by the National JOBS Committee.

Very truly yours,

Kevin M. Butler  
Vice President  
Human Resource Management

Doc. No. 46  
**JOINT PROGRAM REPRESENTATIVES**

## DELPHI CORPORATION

September 18, 2003

Mr. Richard Shoemaker  
Vice President and Director  
General Motors Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Shoemaker:

During these negotiations, the parties discussed at length the need to focus our current joint program representatives on specific programs designed to assist our employees and the management in implementation of an improved working environment.

Over the years, we have agreed to a number of different joint program representatives appointed by the Vice President and Director of the GM Department, UAW, and, in some cases, by the local management and union leadership at the direction of the Co-Chairman, Executive Board - Joint Activities to carry out and administer certain negotiated agreement programs in the following functions:

- Health and Safety
- Joint Activities
- Accommodating DisAbled People in Transition (ADAPT)
- Work/Family Program
- Human Resource Development
- Joint Training
- Quality Network

Each plant in Delphi Corporation, depending on employee population, may have employees assigned to the above functions. Each time new programs have been negotiated, people were assigned to perform the

### JOINT PROGRAM REPRESENTATIVES

tasks associated with each program to the extent that we now have several well-trained experts in those fields. The parties recognize that over the years priorities have shifted and, as a result, there is a need to carefully analyze the programs that currently require increased emphasis, such as, work/family, health and safety, etc. As a result, the parties have concluded that these well-trained resources can now be deployed or reassigned to programs requiring special attention.

It is recognized that each plant location has its own unique culture and needs; therefore, the local joint leadership group (Plant Manager, Personnel Director, Local Union President and Chairperson of the Shop Committee) will determine where their current full time representatives will be allocated to best serve the employees of the organization. It is recognized that at some locations additional representatives may be required to perform tasks associated with the newly determined local focus and at others less. In any event, the total number of new and current full time joint program representatives shall not exceed the number provided for below:

Plant Population	Number of Representatives
Up to 200	1
201 to 400	2
401 to 600	3
601 to 1,000	4
1,001 to 5,000	Ratio of 1:250
5,001 and above	Ratio of 1:275

In the case of bargaining units between 1,001 to 5,000 and 5,001 and above, the number of representatives in a given bargaining unit will be determined by the number of represented employees (active, temporary layoff and Protected) divided by the appropriate ratio number. Where the fraction of the result is .5 and above, the number will be rounded up to the next highest whole number and where the fraction is less than .5, rounded down to the whole number.

Nothing in this agreement limits or is intended to

### JOINT PROGRAM REPRESENTATIVES

interfere with any local mutually agreed upon projects or initiatives falling outside the scope of this document that may provide additional staff resources to meet the specific objectives of the local parties.

Each plant has submitted a plan for deployment of these resources in accordance with specific guidelines issued by the National parties. All such representatives will be appointed by the Vice President and Director of the GM Department, UAW. Such plan will include the names and assignments for each of the local representatives assigned to Joint Programs and will be forwarded to the National parties for approval prior to implementation. Likewise, as individual plant needs and priorities change, the local parties are afforded the flexibility to submit revised plans for National approval.

When plant population changes occur which would increase or decrease the number of representatives, such population changes must be in effect for a period of six consecutive months before such adjustment is made in the number of representatives, in which case such adjustment will be made at the conclusion of the six month period. In the event such population change results from the discontinuance or addition of a shift, the opening of a plant, or the cessation of a plant's operations, the adjustment in the number of representatives will be made within the first twenty working days following the first day such population change occurs. Other situations involving a sudden significant change in the number of employees at a location may be discussed by the Corporation and the GM Department of the International Union.

When a reduction or increase in plant population calls for a change in the number of representatives, the local parties will be required to submit a revised deployment of resources plan for approval. All representatives in either case will also be appointed by the Vice President and Director of the GM Department, UAW.

It is understood that the Representatives re-deployed in



#### **JOINT PROGRAM REPRESENTATIVES**

these locally determined areas of special focus and attention may require additional training. It is agreed that such training will be provided through the Center for Human Resources subject to the approval of the Executive Board - Joint Activities.

It is agreed that such representatives shall function in accordance with governing provisions of the Delphi-UAW National Agreement germane to their area of focus.

During overtime hours, joint program representatives in the areas of Joint Activities, Accommodating DisAbled People in Transition (ADAPT), Human Resource Development, and Joint Training will be scheduled to perform joint program-related activities if they would otherwise have work available in their equalization group.

Longer range, the Joint Program Representatives are eligible for promotion to higher rate jobs on their shift in accordance with Paragraphs (63)(a)(1) and (63)(a)(2) of this Agreement provided they are the most senior applicant and they are capable of doing the job. Joint Activities will establish a joint process aimed at effectively consolidating, simplifying, integrating, focusing and achieving better utilization of joint programs at the plant level.

The spirit and intent of this document is to provide increased focus on joint employee programs and to more fully utilize the experience and talents of the representatives assigned to joint programs. The parties are committed to working together in a spirit of cooperation to improve our relationship and the effectiveness of our joint programs. The result of such cooperation will improve the working environment in our plants for all Delphi employees.

Any problems relating to the implementation of this document may be raised by either party and it is

**JOINT PROGRAM REPRESENTATIVES**

understood that any necessary modifications may be made by mutual agreement between the Corporation and the International Union.

Very truly yours,

Kevin M. Butler  
Vice President  
Human Resource Management

[See Par. (23)]

[See Memo-Joint Activities]

[See Memo-Training; Memo-Attendance]

[See Memo-Human Resource Development]

Doc. No. 91  
**SALE OF BUSINESS**

**DELPHI CORPORATION**

September 18, 2003

Mr. Richard Shoemaker  
Vice President and Director  
General Motors Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Shoemaker:

During these negotiations, the Union requested the Corporation to agree that any sale of an operation as an ongoing business would require the buyer to assume the 2003 Delphi-UAW Collective Bargaining Agreement. The Corporation agreed to do so in the case of any such sale during the term of the 2003 Agreement.

Very truly yours,

Kevin M. Butler  
Vice President  
Human Resource Management

Doc. No. 92  
**UP-FRONT LUMP SUM PAYMENT**

## DELPHI CORPORATION

September 18, 2003

Mr. Richard Shoemaker  
Vice President and Director  
General Motors Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Shoemaker:

During the current negotiations, the parties agreed to provide an up-front lump sum payment of \$3,000 to each eligible employee who is represented by the Union. Such payment will be made in the second pay period following receipt by the Corporation of written notification of ratification of this Agreement.

Eligible employees who are represented by the Union are defined as those whose status with the Corporation on the effective date of this Agreement is one of the following:

- Active (excluding those hired pursuant to Appendix A, Section IX)
- In protected status;
- On temporary layoff status;

On one of the following leaves of absence not greater than ninety (90) days:

- Informal (Paragraph 103)
- Formal (Paragraph 104)
- Sickness and Accident (Paragraphs 106/108)
- Pursuant to Family and Medical Leave Act
- Military (Paragraphs 112 or 218a)
- Educational (Paragraph 113);

Employees, represented by the Union, otherwise eligible with retirements processed for an effective date of October 1, 2003.

**UP-FRONT LUMP SUM PAYMENT**

In addition, should the International Union, UAW, GM Department raise any question of equity in application regarding specific employees who are represented by the Union, the Corporation agrees to meet on such cases in order to review the facts.

As has been our practice with prior up-front lump sum payments, the payment is conditioned solely on the membership's ratification of the Agreement and is paid to eligible employees in the above status whether or not they vote for ratification or perform any services for the Corporation.

Very truly yours,

Kevin M. Butler

Vice President

Human Resource Management

the four-year period beginning with the effective date of the 2003 Delphi-UAW National Agreement to fund such mutually agreed upon activities as studies, pilot projects, and use of consultants.

#### **18. Funding: Growth and Opportunity Committee**

Funding for employee compensation and operating expenses of this joint activity will be provided from National funds upon approval of the Executive Board - Joint Activities and the Joint Skill Development and Training Committee.

[See App. K]

[See Memo-Joint Skill Development]

[See Doc. 12]

#### **19. Funding: Health and Safety Activities**

The Executive Board - Joint Activities will direct and support the joint health and safety activities at both the National and Local level. These shall include health and safety training for skilled and non-skilled employees, pilot and research projects initiated by the National Joint Committee on Health and Safety and expenses associated with the purchase and installation of equipment to improve communication of health and safety information between the Corporation and the International Union. To assure adequate funding for these activities, the Corporation will make available funding at four cents (4¢) per hour worked. These funds will be accumulated by and coordinated administratively on behalf of the Executive Board by the Joint Skill Development and Training Committee. In the event this Fund is depleted, subsequent funding for future reoccurring expenses, if approved, will be made available through National training funds.

It is agreed that uncommitted funding balances accrued under the 1999 National Agreement as of September 14, 2003 will be carried forward under the new National Agreement. Subsequent to September 14,

2003 a final reconciliation and balancing of accounts, expenditures and commitments as of September 14, 2003 will occur. Thereafter, the remaining funds will be available for the Joint National Committee on Health and Safety.

[See Memo-Joint Activities Statement]  
[See Doc. 7]

## **20. Wages Earned Definition**

For the purpose of this Agreement, monies distributed in the form of Profit Sharing, and payments provided for in Paragraph (101)(b) and Document 92 shall be considered wages earned.

[See Par. (41)(a)]  
[See Profit Sharing Plan-Exhibit F]

## **21. Statement on Technological Progress**

A statement, entitled "Statement on Technological Progress," as initialed by the parties, is attached hereto and made a part thereof.

[See Statement on Technological Progress]

## **22. Apprentice Safety Training**

During the 1996 negotiations the parties agreed to a revised Basic Safety Training Guide covering all approved Delphi-UAW Apprentice Training schedules except design classifications which reads as follows:

"The approximately 80 hours of safety instruction provided for will be incorporated into the shop or related training schedules or a combination of both. The total shop training shall remain 7,328 hours and the total related training shall remain 576 hours. The portion of the 80 hours to be provided as shop training shall be subtracted from existing 'Optional Hours.' The portion of the 80 hours to be provided as related training shall be subtracted from 'Unassigned' related training hours.

"When the method of providing this safety training

has been jointly established locally it shall be reviewed by the Local Apprentice Committee and the Local Joint Committee on Health and Safety and a copy of each revised schedule shall be forwarded to the Delphi-UAW Skilled Trades and Apprentice Committee for approval. The schedules revised in accordance with this agreement will be adopted for those apprentices presently in the training program to the extent that they can be integrated into such revised programs without interfering with the progress of the apprentice."

[See Par. (122)f,(133),(145)]

[See Doc. 7]

### **23. Group Legal Services Plan**

A 2003 Supplemental Agreement Covering Group Legal Services Plan, Exhibit I, set forth in the pages initialed by the parties, is agreed to, effective in accordance with and subject to the provisions of such pages.

### **24. Employee Benefit Plans and Programs**

During the course of bargaining, the Union requested that the Supplemental Agreement(s) regarding Employee Benefit Plans and Programs which are attached to and part of the 2003 GM-UAW and 2003 Delphi-UAW National Agreement(s) be administered as if there were one agreement. Notwithstanding the fact that the companies will have different third party administrators, the parties agreed that, with the exception of system access, Delphi and GM will make the necessary arrangements to assure that the administration of the Employee Benefits Plans and Programs, to the extent reasonably feasible, will be consistent between the two companies during the term of the 2003 National Agreement(s).

### **25. UAW - GM - Delphi Flowback Agreement**

For the purposes of this UAW - GM - Delphi



Flowback Agreement, "GM Employee", as used herein, refers to the UAW hourly represented employees actively employed at GM and employees with unbroken seniority who are on lay off or leave of absence from GM business units. "Delphi Employee", as used herein, refers to the UAW hourly represented employees actively employed at Delphi and employees with unbroken seniority who are on lay off or leave of absence from Delphi business units (See Attachment A).

### **Employee Placement**

It is recognized that the ability to move from GM to Delphi and from Delphi to GM is a concern of employees. The Parties have developed the following procedures to address this concern.

#### **A. Eligibility**

GM and Delphi employees who were hired on or before the expiration date (October 18, 1999) of their respective 1996 GM-UAW or Delphi-UAW National Agreements will be covered by this Flowback Agreement.

#### **B. Application Process**

1. GM or Delphi employees who wish to apply for job openings at the other Company must file an Area Hire and/or Extended Area Hire Application using the GM Employee Placement System (EPS). Employees may file an application to the other Company through December 31, 2006.
2. Employees who have filed an Area Hire and/or Extended Area Hire Application pursuant to this Flowback Agreement, will be permitted to designate one or more plant locations and to change their selection of plant locations during and after the close of the application period.

## **C. Placement Process**

### **1. Area Hire Placement**

When there are applicants for Area Hire placement between Companies, the following priority will apply in filling openings:

- a) Plant recall**
- b) Plant rehire**
- c) Laid off employees from the Company with the job opening, who volunteer, will be made job offers in seniority order.**
- d) Applicants from the other Company will be made job offers in seniority order.**
- e) The balance of Area Hire job offers will be made in accordance with the provisions of Appendix A of the Company with the job opening.**
- f) When the number of applicants to be made offers exceeds the number of applicants that could be immediately released, the UAW, GM and Delphi will develop an employee transfer plan that protects the effectiveness of the on-going operations and accommodates timely employee placement.**
- g) Employees will remain eligible for Area Hire job offers between Companies until they are placed or refuse an Area Hire job offer.**

### **2. Extended Area Hire Placement**

- a) Eligible applicants for Extended Area Hire placement between Companies will be eligible for a maximum of three (3)**

Extended Area Hire job offers to openings. These Extended Area Hire job offers will be made to such applicants in seniority order for their first Extended Area Hire opportunity. After the initial offer, all Extended Area Hire applicants will be combined and job offers will be made in seniority order. To fulfill contractual requirements to hire new employees at one Company, applicants from the other Company will be made job offers in seniority order. When the number of applicants to be made offers exceeds the number of applicants that could be immediately released, the UAW, GM and Delphi will develop an employee transfer plan that protects the effectiveness of the on-going operations and accommodates timely employee placement.

- b) Employees will continue to be eligible for Extended Area Hire job offers between Companies until they are placed or refuse three (3) such Extended Area Hire job offers.
- 3. When a contractual requirement to hire new employees exists at a GM or Delphi plant, the appropriate applicant from the other Company will be made a job offer. The placement of the applicant will result in a new hire backfill at the sending plant. An applicant so placed will satisfy the contractual new hire requirement.

For the period of 10-1-03 through 9-14-07 contractual requirements to hire new employees will be filled in a ratio of 2:1 (i.e., 2 Flowbacks and 1 New Hire).

When it is otherwise necessary, i.e. a non-

contractual requirement, to add new employees at a GM or Delphi plant, the appropriate applicant from the other Company will be made a job offer. The placement of the applicant will result in a backfill at the sending plant in the following order: (1) a Protected Status employee being placed on active status, (2) recalling an employee from layoff, or (3) by hiring new employees.

4. The provisions of this Flowback Agreement provides for one Company to Company placement per employee.

5. Employees who have broken seniority pursuant to Paragraphs 64(a) through 64(d) or Paragraph 111(b) will be eligible to file an Area Hire and/or Extended Area Hire Application to the other Company under this Flowback Agreement.

#### **D. Recall and Rehire Rights**

The separation of GM and Delphi does not impact recall and/or rehire rights at either Company. Employees who retire from one Company will not be eligible for placement at the other Company.

#### **E. Employees on Leave**

Employees on leaves of absence from either Company must return to active status at the plant from which they are on leave in order to be eligible for placement pursuant to the terms of this Flowback Agreement.

#### **F. Skilled Trades**

1. Skilled Trades employees with unbroken GM or Delphi skilled trades seniority, who apply for transfer between Companies, will be given

the opportunity to file Area Hire and/or Extended Area Hire Application for a skilled trades job opening and/or a non-skilled job opening.

2. Skilled Trades employees with unbroken GM or Delphi skilled trades seniority, who apply for transfer between Companies, currently working as a non-skilled employee may file an Area Hire and/or Extended Area Hire Application for a skilled trades job opening and/or a non-skilled job opening.

#### **G. Apprentices**

It is understood that Paragraph (113a) and Document 20 will apply between GM and Delphi.

#### **H. Employee Placement System and Placement Process Impact**

During the implementation of this Flowback Agreement, it is recognized that an increase in placement activity may occur. Any issues related to the implementation of this Flowback Agreement will be addressed promptly by the GM and UAW National Parties and/or Delphi and UAW National Parties.

It is further understood that the National Parties may also mutually agree to deviate from this process.

#### **Delphi Business Units**

##### **Delphi Operating Units**

- Delphi Energy & Chassis-Saginaw Manufacturing
- Delphi Energy & Chassis-Sandusky
- Delphi Automotive Holdings Group-Needmore Road
- Delphi Delco-Kokomo
- Delphi Delco-Milwaukee
- Delphi Automotive Holdings Group-Anderson
- Delphi Energy & Chassis-Coopersville

## **Exhibit B**

## **AGREEMENTS**

**BETWEEN**

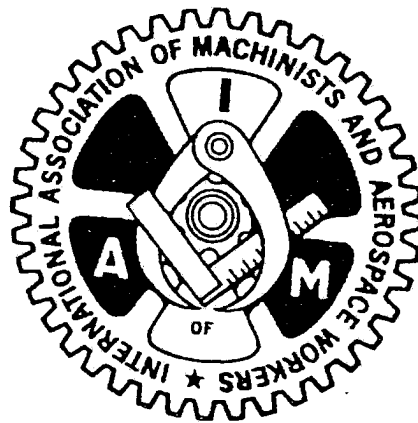
**DELPHI ELECTRONICS & SAFETY  
MILWAUKEE OPERATIONS  
DELPHI CORPORATION**

**AND**

**INTERNATIONAL ASSOCIATION  
OF MACHINISTS, AFL-CIO  
TOOL AND DIE MAKERS  
LODGE 78**

# **DELPHI**

**Automotive Systems**



**DECEMBER 22, 2003**

REPRESENTATION

19.

(a) The definition of representation districts will be established by agreement between Management and the Union. During the life of this Agreement, the number of districts may be adjusted by mutual agreement in comparison with membership in the bargaining unit or other related factors. Any adjustments in the number of districts will be by mutual agreement. Each district will be represented by a District Committeeman, and each district will have an Alternate who will function only in the absence of the District Committeeperson from the plant.

(b) For the purpose of bargaining between the parties, a Shop Committee comprised of three (3) District Committeepersons shall be designated by the Union. In the event the number of representation districts is increased to five (5), the number of Shop Committeepersons shall remain at three (3). Further, in no event shall there be more Shop Committeepersons than the number of districts provided. One (1) member of the Shop Committee shall be designated as Chairperson. In the absence of a Shop Committeeperson, another Committeeperson may be designated to serve as a Shop Committeeperson in meetings with Management.

20. The names of District Committeepersons, Alternate District Committeepersons and those District Committeepersons designated as members of the Shop Committee and the member of the Shop Committee designated as Chairperson of the Shop Committee shall be given in writing to Management. No Committeeperson shall function as such until Management has been advised of his selection in writing by the Business Agent of District 10 or his designated representative. Any changes in Committeepersons shall be reported promptly to Management in writing by the Union.

21. When there is a reduction in force, the District Committeeperson will be retained at work regardless of



seniority in their regular occupational group on their own jobs, or if their jobs are not operating they will be placed on other jobs that are operating in their respective district, provided they can do the work.

22. A regularly scheduled meeting between representatives of Management and the Shop Committee will be held monthly, unless otherwise agreed between Management and the Shop Committee to extend the time between meetings, at a time to be mutually agreed upon between the Committee and Management. Special meetings may be arranged by mutual agreement.

#### RULES FOR COMMITTEEPeOPLE

23. While on leave of absence or laid off, no employee shall serve as a Committeeperson.
24. No employee shall be eligible to serve as a Committeeperson unless they are an employee covered by this Agreement, and not then until their name has been placed on the seniority list and they are working in the plant.
25. The Committeeperson shall not be permitted to enter or remain in the plant, unless otherwise agreed to by Plant Management, for the purpose of handling a grievance at any time other than during his regular shift.
- 26.
- (a) Upon notification to his Supervisor, a Committeeperson will be permitted to leave their department for the purpose of investigating and adjusting grievances. The Shop Chairperson may investigate potential Paragraph 1 violations without a call for representation. Upon entering a department other than their own, he/she shall notify the Supervisor of that department of his/her presence and his/her purpose.
  - (b) It is agreed mutually that the prompt adjustment of grievances is desirable in the interest of sound relations

51. To protect their seniority, it is the employee's responsibility to keep the Management informed of their current address. Forms will be provided by Management in each department for this purpose.
52. Shift preference provisions shall be negotiated and made a part of the supplemental seniority agreement, which will provide sufficient flexibility to give full protection to efficiency of operations under all circumstances and conditions.
53. For temporary reductions in production not exceeding four (4) weeks, the work week may be reduced before any employees are laid off, unless otherwise extended by agreement between Management and the Union.
54.
  - (a) For extended periods of reduced production exceeding four (4) weeks, temporary employees will be laid off, and thereafter the work week will be reduced and/or seniority employees will be laid off to comply with Paragraph (c) below, unless otherwise extended by agreement between Management and the Union.
  - (b) Both parties agree that it is desirable to give the employees high annual earnings. It is recognized and agreed that there are times when production and tooling require overtime and other times when not enough work is available to give all employees with seniority a full week's work. It is mutually recognized that to operate a plant at a schedule which gives employees less than thirty-two (32) hours per week for more than a month is unsatisfactory to both employees and the Company, and reductions below this level are only justified by special conditions.
  - (c) Operation of a plant or any part thereof on a schedule of employment of less than an average of twenty-four (24) hours per week for a period of more than two (2) consecutive weeks or less than an average of thirty-two (32) hours per week for a period of more than four (4)

consecutive weeks shall only be by written agreement with the Shop Committee.

55. Extra work in periods of part-time operation, and overtime, should be equalized among the employees in the group engaged in similar work, as far as practicable. Information concerning equalization of hour status will be openly displayed in the department in such a manner that the employees involved may check their standing.

#### WORKING HOURS

56. For the purpose of computing overtime premium pay, the regular working day is eight (8) hours and the regular working week is forty (40) hours.
57. Employees will be compensated on the basis of the calendar day (midnight to midnight) on which their shift starts working, for the regular working hours of that shift. The employee's working week shall be a calendar week beginning on Monday at the regular starting time of the shift to which he is assigned.
58. Hourly rate employees will be compensated as follows:
- (a) Straight Time
    - (1) For the first eight (8) hours worked in any continuous twenty-four (24) hour period beginning with the starting time of the employee's shift.
    - (2) For the first forty (40) hours worked in the employee's working week, less all time for which daily, Saturday, Sunday or holiday overtime has been earned.
    - (3) For time worked during the regular working hours on any shift which starts on the day before and continues into a specified holiday or a Saturday.

(b) Time and One-Half

- (1) For time worked in excess of eight (8) hours in any continuous twenty-four (24) hours, beginning with the starting time of the employees shift, except if such time is worked on a Sunday or holiday when double time will be paid as provided below.
- (2) For time worked in excess of forty (40) hours in the employee's working week, less all time for which daily, Saturday, Sunday or holiday overtime has been earned.
- (3) For time worked on any shift which starts on Saturday.

(c) Double Time

For time worked during the first eight (8) hours worked on any shifts that start on Sundays and on each holiday specified in Paragraph 72; for time worked on the calendar Sunday or specified holiday in excess of the first eight (8) hours worked on any shift that starts on Sunday or one of the specified holidays; and for time worked on a Sunday or specified holiday in excess of eight (8) hours worked on a shift which starts the previous day and runs over into Sunday or one of the specified holidays.

(d) Shift Premiums

- (1) A night shift premium on night shift earnings, including overtime premium pay, will be paid to employees for time worked on shifts scheduled to start in accordance with the following chart:

SCHEDULED SHIFT STARTING TIME	AMOUNT OF PREMIUM	AMOUNT OF CONDITIONAL SHIFT PREMIUM
On or after 11:00 a.m. and before 7:00 p.m.	Five percent	Ten percent for all hours worked after 12 midnight when such employee is scheduled to work more than nine (9) hours and until or beyond 2:00 a.m.
On or after 7:00 p.m. and on or before 4:45 a.m.	Ten percent	
After 4:45 a.m. and before 6:00 a.m.	Ten percent until 7:00 a.m.	
On or after 6:00 a.m. and before 11:00 a.m.	None	Five percent for all hours worked in excess of eight (8) when such employee is scheduled to work twelve (12) or more hours.

- (e) Any change in the established shift hours or lunch period shall be first discussed with the Shop Committee as far in advance as possible of any such change; however, if the length of an employee's established lunch period is extended on a temporary basis for a given day, the net

amount of time by which the lunch period is so extended shall be considered as time worked for that day.

CALL-IN PAY

59. Any employee called to work or permitted to come to work without having been properly notified that there will be no work, shall receive a minimum of four hours' pay at the regular hourly rate, except in case of labor disputes or other conditions beyond the control of the Local Management.

UNION BULLETIN BOARDS

60. The plants covered by this Agreement will erect bulletin boards which may be used by the Union for posting notices approved by the Management and restricted to:
- (a) Notices of Union recreational and social affairs.
  - (b) Notices of Union elections.
  - (c) Notices of Union appointments and results of Union elections.
  - (d) Notices of Union meetings.
  - (e) Other notices concerning bona fide Union activity such as: Cooperatives, Credit Union and Unemployment Compensation information.
61. The number and location of such bulletin boards in the bargaining unit under this Agreement shall be decided by Management and the Shop Committee.
62. There shall be no other general distribution, or posting by employees, of pamphlets, advertising or political matter, notices, or any kind of literature upon Company property other than as herein provided.

## LEAVES OF ABSENCE

### 63. Informal Leaves of Absence

A leave of absence may be granted for personal reasons for a period not to exceed thirty (30) days, upon application of the employee to and approval by the foreman. Such leaves shall not be renewed and seniority will accumulate during the leave.

### 64. Formal Leave of Absence for Personal Reasons

- (a) Employees requesting formal leave of absence for personal reasons shall first make application in writing to the Personnel Division on the form provided. Such leave of absence will be granted to an employee for not more than ninety (90) days on approval of Management when the services of the employee are not immediately required, and there are employees available in the plant capable of doing the work.
- (b) Such leaves of absence may be extended, but the approval of the Manager of the plant or his representative is required in such cases. Seniority will accumulate during the period of formal leave of absence for personal reasons. Such formal leaves of absence will not be granted an employee who is laid off, and will not be extended if the employee would have been laid off had he/she been working during his leave.

### 65. Sick Leave of Absence

- (a) Any employee who is known to be ill, supported by satisfactory evidence, will be granted sick leave automatically for the period of continuing disability. Seniority of such employees shall accumulate during sick leave and shall be broken, figured from the date the sick leave started, on the same basis as provided in Paragraph 46(e) for laid off employees breaking seniority.

(b) Temporary employees without seniority shall not receive credit for time off sick toward the ninety (90) days of employment required to accumulate seniority, except as provided in Paragraph 65(c), and in no case shall a temporary employee's name be placed on the seniority list while away from work on sick leave.

(c) In compensable injury and legal occupational disease cases, sick leave will be granted automatically and seniority will accumulate for the full period of legal temporary disability. Temporary employees disabled by occupational injury or legal occupational diseases shall be given credit for the period of such disability toward acquiring seniority.

#### 66. Leave of Absence for Union Activity

Any employee elected to a permanent office in, or as a delegate to, any labor activity necessitating a leave of absence, shall be granted such leave for a minimum of one day and not to exceed one year and shall, at the end of the term in the first instance, or at the end of the mission in the second instance, be guaranteed re-employment if there is sufficient work for which he/she is in line at the then current rate of pay. Written notice for such leaves, giving the length of leave, shall be given Management as far in advance as possible but in no event later than the day prior to the day such leave is to become effective. Seniority will accumulate during the period of such leave.

#### 67. Leave of Absence for Public Office

(a) Any employee with seniority elected to public office may make written application for a leave of absence for the period of his first term of active service in such elective office. Additional leaves of absence for service in elective public office may be granted at the option of Local Management upon written application by the employee.



(b) Any employee with seniority who is appointed to a position as administrative assistant in a Congressional or Senatorial office, or to an Administrative position in a State Agency, or as a Labor Representative on a Community Agency, or to a non-civil service governmental position which is not generally available to an applicant for employment, may make written application for a leave of absence for the period of his active service in such position, not to exceed one year. Such leave may be renewed at the option of Local Management upon written application by the employee.

(c) Any employee granted a leave of absence under Paragraph 67(a) or 67(b) shall be guaranteed re-employment, at the then current rate of pay, if there is sufficient work available which he is capable of doing and to which he may be entitled on the basis of seniority. Seniority will accumulate during the period of such leaves.

68. All of the above leaves of absence including sick leaves are granted subject to the following conditions:

(a) Any employee on leave may return to work in line with their seniority before the expiration of the leave providing not less than seven (7) days' notice is given to Management. The return within the seven (7) day period is at the option of Management. Any employee who fails to return to work in accordance with the notice as given shall be considered as having voluntarily quit unless he has a satisfactory reason.

(b) Any employee who fails to report for work within three (3) working days after the date of expiration of the leave, shall be considered as having voluntarily quit unless he has a satisfactory reason.

(c) If upon the expiration of a leave of absence there is not work available for the employee in line with their seniority, or if the employee would otherwise have been subject to layoff according to seniority during the period

of the leave, the period which breaks seniority shall start from the date of expiration of the leave.

#### 69. Leave of Absence for Military Service

Any employee who enters either active or inactive training duty or service in the armed forces of the United States will be given a leave of absence subject to the conditions herein. Seniority will accumulate during the period of such leave. Upon termination of such leave the employee shall be offered re-employment in his previous position or a position of like seniority, status and pay, unless the circumstances have so changed as to make it impossible or unreasonable to do so, in which event the employee will be offered such employment in line with their seniority as may be available which the employee is capable of doing at the current rate of pay for such work, provided the employee meets the following requirements:

- (a) Has not been dishonorably discharged.
- (b) Is physically able to do the work.
- (c) Reports for work within ninety days of the date of such discharge, or ninety days after hospitalization continuing after discharge for not more than one year.

The seniority of any employee who fails to report for work within the times specified in Paragraph 69(c) shall be automatically broken unless the employee gives a satisfactory reason for such failure to report.

As used in this paragraph "Armed Forces of the United States" is defined as and limited to the United States Army, Air Force, Navy, Marine Corps, Coast Guard, National Guard, Air National Guard, or any reserve component thereof.

70. Vacation Entitlement

- (a) The vacation entitlement provisions of this section shall apply during the remainder of the term of this Agreement.
- (b) Effective January 1, 1994 the eligibility date for vacation entitlement for all seniority employees is December 31. Each "eligibility year" shall begin with the first pay period following the pay period containing December 31 of the previous year and end with the pay period in which December 31 falls.
  - (1) Employees shall become eligible for vacation entitlement as hereinafter defined, provided they have at least one (1) year of seniority as of December 31 of the eligibility year and have worked during at least thirteen (13) pay periods during the eligibility year. Without modifying or adding to any other provision of the Vacation Entitlement Section, an employee who has seniority but has not acquired one year's seniority as of December 31 shall nevertheless become eligible for a percentage of 40 hours of vacation entitlement.
  - (2) In determining the number of pay periods an employee shall have worked in the eligibility year, the employee shall be credited with one pay period for each pay period in which the employee performs work in any Delphi Electronics & Safety plant during that year.

For the purpose of this Vacation Entitlement Section only, a pay period during which an employee qualifies for pay pursuant to Paragraphs 72 through 77 for holidays falling within the Christmas holiday period, Paragraph 86, Paragraph 87, or the Independence Week Shutdown shall be counted as a pay period worked. A laid off employee who receives pay for a designated holiday shall receive credit for the pay period in which the holiday falls as a pay period worked.

- (3) An eligible employee who has worked at least 26 pay periods in the eligibility year shall be entitled to the following vacation entitlement:

For an Eligible Employee with Seniority of:	Hours of Vacation Entitlement
Less than one year	40
One but less than three years	80
Three but less than five years	100
Five but less than ten years	120
Ten but less than fifteen years	140
Fifteen but less than twenty years	160
Twenty or more years	200

- (4) An eligible employee shall be entitled to a percentage of vacation entitlement shown in Paragraph 70(b)(3) based on the number of pay periods the employee works in the eligibility year, in accordance with the following:

Pay Periods Worked	Percentage of Hours of Vacation Entitlement
26	100 %
25	96 %
24	92 %
23	88 %
22	84 %
21	80 %
20	76 %
19	73 %
18	69 %
17	65 %
16	61 %
15	57 %
14	53 %
13	50 %

(5) An eligible employee who, at the time of the eligibility date, has not used the entire vacation entitlement provided for in Paragraph 70(b)(3) shall receive a payment in lieu of vacation time off for the unused portion at the rate established in accordance with (a) below:

(a) Vacation time off payments will be calculated on the basis of the employees regular rate of pay, plus attached night shift premium, not including overtime, as of the employee's last day worked prior to the approved vacation time off period for vacation with pay. Payment of the unused portion, if any, of Vacation Entitlement will be calculated on the basis of the employees rate of pay plus the attached night shift premium but not including overtime premium, as of the last day worked prior to the eligibility date or the last day worked prior to December 15, whichever produces the higher rate.

(b) Payment of the unused portion, if any, of the employees vacation entitlement, shall be made as soon as possible but not later than February 1 of the following year.

(6) Eligible employees may use 40 hours of their vacation entitlement during the eligibility year provided their absence from work is for not less than four (4) continuous hours and is excused for illness (when not receiving Sickness and Accident benefits), or personal business, or a leave of absence for vacation purposes.

71.

(a) Employees who retire or are retired under the provisions of the Delphi Corporation Hourly Rate Employees Pension Plan shall receive prorated vacation entitlement up to the vacation entitlement to which the employee's seniority would have entitled them on December 31 of the current year in accordance with Paragraph 70(b)(4)

provided the employee has worked at least 13 pay periods in the eligibility year in which they retire or one twenty-sixth (1/26) of the vacation eligibility year if they have worked less than 13 pay periods in the eligibility year in which they retire.

- (b) Employees who are placed on or return from a Leave of Absence for Military Service pursuant to the provisions of Paragraph 69, shall receive vacation entitlement in accordance with Paragraph 70 (b)(4) if the employee has worked at least 13 pay periods in the eligibility year in which they are placed on or return from a Leave of Absence for Military Service, or one twenty-sixth (1/26) of the vacation entitlement provided for in Paragraph 70 (b)(3) for each pay period worked within the eligibility year if they have worked less than 13 pay periods in the eligibility year in which they are placed on or return from a Leave of Absence for Military Service.
- (c) Employees disabled from working by compensable injury or legal occupational disease shall receive credit toward pay periods worked under this Vacation Entitlement Section for pay periods they would otherwise have been scheduled to work during the period of compensable disability, provided they worked during at least one (1) pay period in the eligibility year and are otherwise eligible for a vacation entitlement.
- (d) In the case of an employee who has worked during at least 13 pay periods in the eligibility year and who voluntarily quits or dies prior to the eligibility date, the vacation entitlement to which the employee would have been entitled, based on the number of pay periods worked, shall be paid to the employee or in the event of death, the employee's duly appointed legal representative, if there is one, and, if not, to the spouse, parents, children, or other relative or dependents of such person as the Corporation in its discretion may determine.

- (e) The vacation entitlement of an employee who holds seniority in two or more General Motors plants will be computed on the basis of the longest seniority held as of the eligibility date.
- (f) In the case of an employee who goes on sick leave during one eligibility year after having worked less than 13 pay periods in that year and who retires during the next eligibility year under the provisions of the General Motors Hourly Rate Employees Pension Plan before returning to work, the retirement, for the purpose of this Vacation Entitlement Section only, shall be deemed to have occurred as of the day following the employees last day worked.
- (g) When a person is transferred into a bargaining unit covered by this Agreement the amount of vacation entitlement the employee may become eligible for shall be reduced by the amount of any paid vacation or pay in lieu of taking vacation which the employee has already received from the Corporation for the same eligibility year.
- (h) During each year of the Agreement, the Corporation has designated the following days to be included in an Independence Week Shutdown period :

2004

<u>Tuesday, July 6</u>	Independence Week Shutdown Day
<u>Wednesday, July 7</u>	Independence Week Shutdown Day
<u>Thursday, July 8</u>	Independence Week Shutdown Day
<u>Friday, July 9</u>	Independence Week Shutdown Day

2005

<u>Tuesday, July 5</u>	Independence Week Shutdown Day
<u>Wednesday, July 6</u>	Independence Week Shutdown Day
<u>Thursday, July 7</u>	Independence Week Shutdown Day
<u>Friday, July 8</u>	Independence Week Shutdown Day

2006

<u>Monday, July 3</u>	Independence Week Shutdown Day
<u>Wednesday, July 5</u>	Independence Week Shutdown Day
<u>Thursday, July 6</u>	Independence Week Shutdown Day
<u>Friday, July 7</u>	Independence Week Shutdown Day

2007

<u>Monday, July 2</u>	Independence Week Shutdown Day
<u>Tuesday, July 3</u>	Independence Week Shutdown Day
<u>Thursday, July 5</u>	Independence Week Shutdown Day
<u>Friday, July 6</u>	Independence Week Shutdown Day

- (i) During February of each year, the local Management will notify the Shop Committee of its decision to schedule the week before or the week after the Independence Week Shutdown period as a Plant Vacation Shutdown Week. In addition, during February of each year, the local Management will notify the Shop Committee which operations, if any, will be scheduled to operate during the Independence Week Shutdown Period and which operations, if any, will be scheduled to operate during the Plant Vacation Shutdown Week. Unforeseen circumstances may require subsequent changes in these announced schedules and will be reviewed with the Shop Committee as soon as is practicable.
- (j) Employees who are not scheduled to work during any portion of the Independence Week Shutdown shall be paid up to eight (8) hours of pay for each of the Independence Week Shutdown Period days they are not scheduled to work, up to a maximum of thirty-two (32) hours, which will be calculated on the basis of the employee's regular rate of pay, plus attached night shift premium, not including overtime, as of the employee's last day worked prior to the Independence Week Shutdown period provided:



- (1) The employee has seniority in any Delphi Corporation plant as of the date of each of the Independence Week Shutdown Days.
- (2) The employee is on the active rolls and would otherwise have been scheduled to work if it had not been observed as an Independence Week Shutdown Day.
- (3) The employee works their last scheduled work day in the pay period prior to and their next scheduled work day in the pay period after the pay periods of Independence Week Shutdown and Plant Vacation Shutdown Week. Employees shall receive such pay in the pay period following the Independence Week Shutdown Period.
- (k) Failure to work either their last scheduled work day in the pay period prior to or their next scheduled work day in the pay period after the pay periods of the Independence Shutdown and Plant Vacation Shutdown Week will disqualify the employee for Independence Week Shutdown pay for the two (2) Independence Week Shutdown days which follow or precede such scheduled work day.
- (l) Employees who are scheduled to work during the Independence Week Shutdown Period, including the Independence Day holiday shall be entitled to up to eight (8) hours of Additional Time Off with pay up to a maximum of forty (40) hours in lieu of the Independence Week Shutdown Period pay for each day worked provided:
  - (1) The employee has seniority in any Delphi Corporation plant as of each day of the Independence Week Shutdown Period.
  - (2) The employee is scheduled to report for work during any of the days, and

- (3) The employee reports for and performs such scheduled work on those scheduled days or is absent pursuant to the provisions of Paragraphs (86) or (87)

The Additional Time Off will be scheduled in accordance with local plant practice.

- (m) Eligible employees who, as of the next eligibility date, have not used their entire Additional Time Off, shall be paid the unused portion in accordance with Paragraphs 70(b)(5)(a) and 70(b)(5)(b).

- (n) Employees may make application during the month of December through the first work day of the new year requesting vacation time off for the calendar year. Supervision will notify employees as to whether their vacation has been granted no later than the end of the third complete pay period in January. IAMAW seniority will be controlling in the event of conflicts for applications filed during the application period.

Any requests filed after the application period will be honored on a first come, first served basis. Vacation applications which have been approved will be honored regardless of whether or not an employee changes groups or shifts.

If a Plant Shutdown is scheduled, the dates of such shutdown are to be included in the employee's vacation schedule.

- (o) Each employee will be given a written disposition of their vacation time off request. Approved vacation time off, exclusive of the time identified as a Plant Vacation Shutdown, will not thereafter be canceled or changed without the mutual consent of Management and the employee. If an employee's approved vacation time off scheduled for a Plant Vacation Shutdown is canceled or changed, the employee may reschedule their vacation.

- (p) An active seniority employee who is not scheduled to work during the Plant Vacation Shutdown week, shall use any available Vacation Entitlement hours starting with the first day of the Plant Vacation Shutdown week and will be placed on a leave of absence for vacation purposes for the balance of the Plant Vacation Shutdown week. An active employee without seniority who is not scheduled to work shall be considered on layoff for the entire shutdown period.
- (q) An eligible employee who has approved vacation time off in accordance with Paragraph 70 (b)(20), either through individual vacation scheduling or a scheduled plant vacation shutdown, shall receive their vacation pay, up to the amount of their approved time off, in the pay period following the pay period in which the approved vacation time off. An employee may elect to waive this provision by submitting an application at least two (2) days prior to the approved time off. Upon receipt of the application, payment of the specified Vacation Entitlement will be made pursuant to the provisions for payment of an unused balance in Paragraphs 70 (b)(5)(a) and 70 (b)(5)(b).
- (r) The Corporation will deduct from earnings subsequently due and payable the amount of any vacation payment made to an employee who does not have seniority as of their next eligibility date, or who receives state or federal benefits as a result of unemployment during the Vacation Entitlement Period, or who receives any payment in excess of their eligibility. Recovery of such overpayments may be made from any future payments payable under any term of this agreement or any Supplemental Agreement thereto.
- (s) An employee who has at least two (2) years' seniority as of their last vacation eligibility date may apply for forty (40) hours of advance vacation pay. Such payment will be calculated in accordance with Paragraph 71(t) and will be

paid in the pay period immediately preceding the  
approved vacation period provided:

- (1) The employee has an approved vacation time off  
application pursuant to Paragraph 71(n);
- (2) The employee is eligible for vacation entitlement  
pursuant to Paragraph 70(b)(3) that is at least  
equal to the amount of vacation requested;
- (3) The advance payment cannot be requested for  
consecutive vacation weeks, and can only be  
requested for an entire pay period;
- (4) The employee makes application for the advance  
vacation payment, in writing, at least two (2)  
weeks prior to payment of the advancement; and
- (5) The employee takes the vacation time off. Once  
the advance vacation is approved, the employee  
will not be permitted to cancel the vacation time  
off.

(t) Advance vacation pay paid pursuant to Paragraph 71(s)  
will be calculated on the basis of the employee's regular  
rate of pay, plus attached night shift premium, not  
including overtime, at the time the application for advance  
vacation pay is processed.

#### HOLIDAY PAY

#### 72. Holiday Pay

Employees shall be paid for specified holidays and the  
holidays in each of the Christmas holiday periods as provided  
hereinafter:

##### First Year

December 24, 2003  
December 25, 2003  
December 26, 2003  
December 29, 2003  
December 30, 2003

Christmas  
Holiday  
Period

December 31, 2003January 1, 2004January 2, 2004January 19, 2004, Martin Luther King, Jr. DayApril 9, 2004, Good FridayApril 12, 2004, Day after EasterMay 28, 2004, Friday before Memorial DayMay 31, 2004, Memorial Day (or two other such  
holidays of greater local importance which  
must be designated in advance by mutual  
agreement locally in writing.)July 5, 2004, Independence Day (Observed)September 6, 2004, Labor DayNovember 2, 2004, Federal Election DayNovember 15, 2004, Veterans' Day (Observed)November 25, 2004, ThanksgivingNovember 26, 2004, Day After ThanksgivingSecond YearDecember 24, 2004December 27, 2004ChristmasDecember 28, 2004HolidayDecember 29, 2004PeriodDecember 30, 2004December 31, 2004January 17, 2005, Martin Luther King, Jr. DayMarch 25, 2005, Good FridayMarch 28, 2005, Day after EasterMay 27, 2005, Friday before Memorial DayMay 30, 2005, Memorial Day (or two other such  
holidays of greater local importance which  
must be designated in advance by mutual  
agreement locally in writing).July 4, 2005, Independence DaySeptember 5, 2005, Labor DayNovember 8, 2005, Local Election DayNovember 14, 2005, Veterans' Day (Observed)November 24, 2005, ThanksgivingNovember 25, 2005, Day after Thanksgiving

Third Year

December 26, 2005                      Christmas  
December 27, 2005                      Holiday  
December 28, 2005                      Period  
December 29, 2005  
December 30, 2005  
January 2, 2006  
January 16, 2006, Martin Luther King, Jr. Day  
April 14, 2006, Good Friday  
April 17, 2006, Day after Easter  
May 29, 2006, Memorial Day (or one other such  
holiday of greater local importance which  
must be designated in advance by mutual  
agreement locally in writing),  
July 4, 2006, Independence Day  
September 4, 2006, Labor Day  
November 7, 2006, Federal Election Day  
November 13, 2006, Veterans' Day (Observed)  
November 23, 2006, Thanksgiving Day  
November 24, 2006, Day after Thanksgiving

Fourth Year

December 25, 2006                      Christmas  
December 26, 2006                      Holiday  
December 27, 2006                      Period  
December 28, 2006  
December 29, 2006  
January 1, 2007  
January 15, 2007, Martin Luther King, Jr. Day  
April 6, 2007, Good Friday  
April 9, 2007, Day after Easter  
May 28, 2007, Memorial Day (or one other such  
holiday of greater local importance which  
must be designated in advance by mutual  
agreement locally in writing),  
July 4, 2007, Independence Day  
September 3, 2007, Labor Day

Providing they meet all of the following eligibility rules unless otherwise provided herein:

- (a) The employee has seniority as of the date of each specified holiday and as of each of the holidays in each of the Christmas holiday periods, and
- (b) The employee would otherwise have been scheduled to work on such day if it had not been observed as a holiday, and
- (c) The employee must have worked the last scheduled work day prior to and the next scheduled work day after each specified holiday within the employee's scheduled work week. For each Christmas holiday period, the employee must have worked the last scheduled work day prior to each holiday period and the next scheduled work day after each holiday period.

Each of the designated days in the Christmas holiday period shall be a holiday for purposes of this Holiday Pay Section.

- (d) Failure to work either the last scheduled work day prior to or the next scheduled work day after each Christmas holiday period will disqualify the employee for pay for the one holidays in the Christmas holiday period which follow or precede such scheduled work day.
- (e) An employee who retires as of January 1, and who is otherwise eligible for holiday pay for those holidays falling in the Christmas holiday period up to and including December 31, will receive holiday pay for such holidays.
- (f) In order for employees to have maximum time off during the Christmas Holiday Period, employees will only be scheduled to work on the following days, which are not

paid holidays under this Agreement, on a voluntary basis,  
except in emergency situations:

Saturday, December 27, 2003  
Sunday, December 28, 2003  
Saturday, January 3, 2004  
Sunday, January 4, 2004

Saturday, December 25, 2004  
Sunday, December 26, 2004  
Saturday, January 1, 2005  
Sunday, January 2, 2005

Saturday, December 24, 2005  
Sunday, December 25, 2005  
Saturday, December 31, 2005  
Sunday, January 1, 2006

Saturday, December 23, 2006  
Sunday, December 24, 2006  
Saturday, December 30, 2006  
Sunday, December 31, 2006

Employees shall not be disqualified for holiday pay if they  
do not accept work on such days. This does not apply to  
employees on necessary continuous seven-day operations.

73. A seniority employee who has been laid off in a reduction of  
force (except as provided below), or who has gone on sick  
leave, or on leave of absence for military service, during the  
work week prior to or during the week in which the holiday  
falls, shall receive pay for such holiday.

A seniority employee who works in the fourth work week  
prior to the week in which the Christmas Holiday Period  
begins, and who is laid off in a reduction in force during that  
week, or a seniority employee who is laid off in a reduction in  
force during the first, second or third work week prior to or  
during the work week in which the Christmas Holiday Period



begins, shall, if otherwise eligible, receive pay for each of the holidays in the Christmas Holiday Period providing such employee worked the last scheduled work day prior to such layoff.

A seniority employee who works in the fifth, sixth, or seventh work week prior to the week in which the Christmas Holiday Period begins, and who is laid off in a reduction in force during that week, shall, if otherwise eligible, receive pay for one-half of the holidays falling during such Christmas Holiday Period providing such employee worked the last scheduled work day prior to such layoff.

74. An employee who has been laid off because of model change, plant rearrangement, or inventory shall be eligible for holiday pay under these Holiday Pay provisions, for a specified holiday falling within the period of such layoff providing the employee meets all the following eligibility rules:

- (a) The employee has seniority as of the date of the holiday.
- (b) The employee is ineligible for holiday pay for the holiday under the other provisions of this Holiday Pay Section.
- (c) The employee returns to work during the work week in which the holiday falls or during the work week immediately following the work week in which the holiday falls.
- (d) The employee works the first day he is scheduled to work following the holiday.

75. When a holiday falls on Saturday, eligible employees shall receive holiday pay provided they have worked the last preceding scheduled work day within the week in which that holiday falls.

When one of the above holidays falls within an eligible employee's approved vacation period, or during a period in which he receives jury duty pay pursuant to Paragraph 86 of

this Agreement, and the employee is absent from work during their regularly scheduled work week because of such vacation or jury duty, the employee shall be paid for such holiday.

When an eligible employee is on an approved leave of absence and returns to work following the holiday, but during the week in which the holiday falls, the employee shall be eligible for pay for that holiday. An eligible employee whose leave of absence terminates during the Christmas holiday period, and who reports for work on the next scheduled work day after the Christmas holiday period, will be eligible for holiday pay beginning with the first holiday the employee would otherwise have worked and each holiday thereafter in the Christmas holiday period.

76. Except as provided in Paragraph 76(a), employees eligible under these provisions shall receive eight (8) hours' pay for each of the holidays specified in Paragraph 72, computed at their regular straight time hourly rate exclusive of overtime premium.

(a) For holidays specified in Paragraph 72, an eligible employee shall have the night shift premium rate which attached to the straight time hours on his/her last straight time day worked preceding the holiday included in the computation of holiday pay paid pursuant to Paragraph 76.

77.

(a) Employees who may be requested to work on a holiday and have accepted such holiday work assignment and then fail to report for and perform such work, without reasonable cause, shall not receive holiday pay under this Holiday Pay Section. In applying this procedure, when any of the above enumerated holidays fall on Sunday and the day following is observed as the holiday by the State or Federal Government, the day of observance shall be considered as the holiday under the provisions of this Holiday Pay Section.

78. It is the purpose of the Holiday Pay provisions in Paragraph 77 of this Agreement to enable eligible employees to enjoy the specified holidays with full straight time pay. If, with respect to a week included in the Christmas holiday period, an employee supplements their Holiday Pay by claiming and receiving an unemployment compensation benefit, or claims and receives waiting period credit, to which they would not have been entitled if their Holiday Pay had been treated as remuneration for the week, the employee shall be obligated to pay to the Corporation the lesser of the following amounts:

- (1) An amount equal to his Holiday Pay for the week in question, or
- (2) An amount equal to either the unemployment compensation paid to the employee for such week or the unemployment compensation which would have been paid to the employee for such week if it had not been a waiting period.

The Corporation will deduct from earnings subsequently due and payable the amount which the employee is obligated to pay as provided above.

#### WAGES

79. It is understood that the local Wage Agreement consists of the wage scale by job classifications, as agreed between the parties and any negotiated wage agreement or additions thereto.

- (a) General Increases. Effective September 19, 2005 and September 18, 2006, each employee covered by this agreement shall receive a wage increase in their straight time hourly wage rate (exclusive of Cost of Living Allowance and Shift Premium) in accordance with the following table:

Straight Time Hourly Wage Rates*	Wage Increases
-------------------------------------	----------------

<u>29.25 – 29.74</u>	<u>59¢</u>
<u>29.75 – 30.24</u>	<u>60¢</u>
<u>30.17 – 30.49</u>	<u>91¢</u>
<u>30.50 – 30.83</u>	<u>92¢</u>

Effective December 7, 2003, each employee in a skilled trades job classification shall receive a tool allowance adjustment of thirty cents (30¢) per hour added to the base rate.

(b) Performance Bonus Payments

The Performance Bonus provided herein recognizes that a continuing improvement in the standard of living of employees depends upon technological progress, better tools, methods, processes and equipment, and a cooperative attitude on the part of all parties in such progress. It further recognizes the principle that to produce more with the same amount of human effort is a sound economic and social objective. Accordingly, a Performance Bonus payment will be made to each eligible employee in accordance with the following table:

<u>Eligibility Date</u>	<u>Amount</u>	<u>Payable During Week Ending</u>
<u>September 20, 2004</u>	<u>Three percent (3%) of Qualified Earnings</u>	<u>October 17, 2004</u>

An employee shall become eligible for a Performance Bonus payment as hereinafter defined, provided an employee has seniority as of the designated eligibility date set forth above.

An employee's Performance Bonus will be based on the qualified earnings during the 52 consecutive pay periods immediately preceding the pay periods in which each designated eligibility date falls.

Qualified Earnings, as used herein, are defined as income received by an eligible employee from Delphi Corporation during each designated Performance Bonus eligibility year resulting from the following:

Hourly Base Wages\*  
COLA\*  
Shift Premium\*  
Vacation Entitlement  
Holiday Pay  
Independence Week Shutdown Pay  
Bereavement Pay  
Jury Duty Pay  
Apprentice Pay  
Call-In Pay  
Short Term Military Duty Pay  
Back pay awards related to the  
Designated eligibility year.

\*Including overtime, Saturday, Sunday and Holiday premium payments.

An employee who retires during the Performance Bonus eligibility year and who, but for such retirement, would have had seniority as of the designated eligibility date, shall qualify for the Performance Bonus.

In the case of employees who die during the Performance Bonus eligibility year, a Performance Bonus shall become payable as if the employee were seniority employees on the designated eligibility date and calculated based on their Qualified Earnings during the eligibility year as defined above. Such Performance Bonus shall be paid to their duly appointed legal representative, if there be one, and, if not, to the spouse, parents, children, or other relatives or dependents

of such persons as the Corporation in its discretion may determine.

#### 80. Cost of Living Allowance

- (a) Each employee covered by this Agreement shall receive a Cost of Living Allowance in accordance with the provisions of Paragraphs 80(d) and 80(e).

It is agreed that only the Cost of Living Allowance will be subject to reduction so that, if a sufficient decline in the cost of living occurs, employees will immediately enjoy a better standard of living.

- (b) The Cost of Living Allowance provided for in Paragraph 80(a) shall be added to each employee's hourly wage rate and will be adjusted up or down, as provided in Paragraph 80(d) and 80(e).
- (c) The Cost of Living Allowance will be determined in accordance with changes in the official Consumer Price Index for Urban Wage Earners and Clerical Workers (current series), (CPI-W) (for all items, less medical care, not seasonally adjusted) (United States City Average) published by the Bureau of Labor Statistics (1982-1984=100).
- (d) Effective with the date of this Agreement, \$2.00 shall be deducted from the \$2.17 Cost of Living Allowance in effect immediately prior to that date and \$2.00 shall be added to the base wage rates (minimum, intermediary and maximum) for each classification in effect on that date, for pay calculation purposes. Thereafter, during the period of this Agreement, adjustments in the Cost of Living Allowance shall be made at the following times:

Effective Date of Adjustment	Based Upon Three-Month Average of Consumer Price Index for:
First pay period beginning on or after March 1, <u>2004</u> and at three-calendar month intervals thereafter to <u>June 4, 2007</u>	November, December, <u>2003</u> and January, <u>2004</u> and at three-calendar month intervals thereafter to February, March, April, <u>2007</u>

In determining the three-month average of the Indexes for a specified period, the computed average shall be rounded to the nearest 0.01 Index Point.

In no event will a decline in the three-month average Consumer Price Index below 174.12 provide the basis for a reduction in the wage scale by job classification.

- (e) The amount of the Cost of Living Allowance shall be seventeen (\$0.17) cents per hour effective December 1, 2003 and ending February 29, 2004. Effective March 1, 2004 and for any period thereafter as provided in Paragraph 80(a) and 80(d) the Cost of Living Allowance shall be in accordance with the following table:

Three Month Average Consumer Price Index	Cost of Living Allowance
<u>174.12 or less</u>	None
<u>174.13 – 174.20</u>	1¢ per hour
<u>174.21 – 174.28</u>	2¢ per hour
<u>174.29 – 174.36</u>	3¢ per hour
<u>174.37 – 174.44</u>	4¢ per hour
<u>174.45 – 174.53</u>	5¢ per hour
<u>174.54 – 174.61</u>	6¢ per hour
<u>174.62 – 174.69</u>	7¢ per hour
<u>174.70 – 174.77</u>	8¢ per hour
<u>174.78 – 174.85</u>	9¢ per hour

And so forth in accordance with the Letter of Understanding signed by the parties.

For each adjustment during the fifteen three-month periods beginning December 1, 2003, and ending on June 7, 2007, in which an increase in the Cost of Living Allowance shall required according to the above table, the amount of increase so required each three month period shall be reduced by two cents (2¢), or by the amount of the increase, whichever is less.

Following the adjustment for the three-month period beginning June 4, 2007, the sum reduced during the fifteen periods shall be subtracted from the Cost of Living Allowance table, and the table shall be adjusted so that the actual three-month Average Consumer Price Index equates to the allowance payable during the period beginning June 4, 2007.

- (f) The amount of any Cost of Living Allowance in effect at the time shall be included in computing overtime premium, night shift premium, vacation payments, Independence Week Shutdown pay, holiday payments, call-in pay, bereavement pay, jury duty pay and short term military duty pay.
- (g) In the event the appropriate, official indexes have not been issued on or before the beginning of one of the pay periods referred to in Paragraph 80(d), any adjustments in the Cost of Living Allowance required by such appropriate indexes shall be effective at the beginning of the first pay period after receipt of the Indexes.
- (h) No adjustments, retroactive or otherwise, shall be made due to any revision which may later be made in the published figures used in the calculation of the Combined Consumer Price Index for any month or months specified in Paragraph 80(d).



- (i) The parties to this Agreement agree that the continuance of the Cost of Living Allowance is dependent upon the availability of the applicable official monthly Consumer Price Indexes in their present form and calculated on the same basis as the current Index unless otherwise agreed upon by the parties. If the Bureau of Labor Statistics changes the form or the basis of calculating the Consumer Price Index, the parties agree to request such agency to make available, for the life of this Agreement, a monthly Consumer Price Index in its present form and calculated on the same basis as the Index was prior to such change.

#### STRIKES AND STOPPAGE

81. It is the intent of the parties to this Agreement that the procedures herein shall serve as a means for peaceable settlement of all disputes that may arise between them.
82. During the life of this Agreement, Management will not lock out any employee until all the bargaining procedure, as outline in this Agreement, has been exhausted and in no case on which the Umpire shall have ruled, and in no other case on which the Umpire is not empowered to rule, until after negotiations have continued for at least five (5) days at the third step of the Grievance Procedure. In case a lock out shall occur, the Union has the option of canceling the Agreement at any time between the tenth (10th) day after the lockout occurs and the date of its settlement.
83. During the life of this Agreement, the Union will not cause or permit its members to cause, nor will any member of the Union take part in any sit-down, stay-in or slow-down, in the Company, or any curtailment of work or restriction of production or interference with production of the Company. The Union will not cause or permit its members to cause nor will any member of the Union take part in any strike or stoppage of any of the Company's operations or picket the plant or premises until all the bargaining procedure as outlined in this agreement has been exhausted, and in no case

on which the Umpire shall have ruled, and in no other case on which the Umpire is not empowered to rule until after negotiations have continued for at least five (5) days at the third step of the Grievance Procedure and not even then unless authorized by District 10, International Association of Machinists, and written notice of such intention to authorize has been delivered to Management at least five (5) working days prior to such authorization. The Union will not cause or permit its members to cause nor will any member of the Union take part in any strike or stoppage of any of the Company's operations, or picket the plant or premises because of any dispute or issue arising out of or based upon the provisions of the Pension Plan, Group Life and Disability Insurance Program, Health Care Insurance Program, Employee Stock Ownership Plan, Guaranteed Income Stream Benefit Program, Income Security Plan or Profit Sharing Plan, or Personal Savings Plan; nor will the Union authorize such a strike, stoppage or picketing. In case a strike or stoppage of production shall occur, Management has the option of canceling the Agreement at any time between the tenth (10th) day after the strike occurs and the day of its settlement. Management reserves the right to discipline any employee taking part in any violation of this Section of the Agreement.

#### DISCIPLINARY LAYOFFS AND DISCHARGES

84. Any employee who has been disciplined by a suspension, layoff or a discharge will be furnished a brief written statement advising the employee of their right to representation and describing the misconduct for which the employee has been suspended, laid off or discharged. Thereafter, the employee may request the presence of the committeeperson for their shift to discuss the case with the employee in an office designated by the local Management, before he/she is required to leave the plant. The Committeeperson will be called promptly and whether called or not will be advised within twenty-four (24) hours of the fact of the layoff or discharge.

wages they would have earned by working during straight time hours on such scheduled days of work for which they are excused (excluding Saturdays, Sundays and holidays, or, in the case of employees working in necessary continuous seven-day operations, the sixth and seventh work days of the employee's scheduled working week and holidays).

Payment shall be made at the employee's rate of pay, plus the attached night shift premium, if applicable but not including overtime, as of their last day worked. Time thus paid will not be counted as hours worked for purposes of overtime.

88. Apprentices in the trade classifications covered by this Agreement shall be subject to the terms of the Apprentice Agreement negotiated between the parties.
89. Employees with seniority in any Delphi Corporation plant who are called to and performs short-term active duty of thirty (30) days or less, including annual active duty for training, as a member of the United States Armed Forces Reserve or National Guard, shall be paid as provided below for days spent performing such duty provided the employee would not otherwise be on layoff or leave of absence.

At the option of the employee, pay received during any calendar year under this paragraph shall be computed under either, but not both, of the following subsections:

- (a) A payment of ten dollars (\$10) will be made for each day, including Saturdays and Sundays, and holidays for which the employee is ineligible for holiday pay, but not for a day for which the employee receives any other pay from the Corporation. Except for short term active duty of thirty (30) days or less performed by employees called to active service in the National Guard by state or federal authorities in case of public emergency, payment under this subsection (a) is limited to a maximum of fourteen (14) days in a calendar year; or

(b) A payment will be made for each day, except for a day for which the employee receives holiday pay, which the employee would otherwise have worked equal to the amount by which the employee's straight time rate of pay as of their last day worked plus applicable night shift premium (but not including overtime) for not more than eight (8) hours, exceeds their military earnings for that day including all allowances except for rations, subsistence and travel. For any employee on group bonus or piece work, such payment shall be limited to the amount by which the employee's average hourly earned rate (not including overtime or night shift premium) for the hours worked during the last pay period in which the employee worked preceding the pay period in which the employee reports for military duty, for not more than eight (8) hours, exceeds their military earnings for that day including all allowances except for rations, subsistence and travel. Except for short term active duty of thirty (30) days or less, performed by employees called to active service in the National Guard by state or federal authorities in case of public emergency (e.g., disaster relief) payment under this subsection (b) is limited to a maximum of fifteen (15) working days in a calendar year.

In order to receive payment under this paragraph, an employee must give local Management prior notice of such military duty and, upon his return to work, furnish Management with a statement of the military pay received for performing such duty.

90. This Agreement supersedes the Agreement of March 27, 2000 and all Supplements thereto which are hereby terminated. No provision of this Agreement shall be retroactive prior to the date hereof unless specifically stated herein.

91. This Agreement shall continue in full force and effect without change until December 7, 2007. If either party desires to terminate this Agreement, it shall sixty (60) days prior to December 7, 2007, give written notice to the termination. If neither party shall give notice to terminate this Agreement as

## MEMORANDUM OF UNDERSTANDING

### TUITION ASSISTANCE PLAN

During current negotiations, Delphi Electronics & Safety reaffirmed the necessity of providing active and laid-off workers opportunities for education and training. These efforts will enable them to either re-enter the work force or enhance their development. Accordingly, the parties agree to continue the Tuition Assistance Plan for all qualifying workers who wish to pursue further education and training. The plan is designed to help workers:

- \* Who are laid off, improve their chances for re-employment
- \* Or who are active, enhance their opportunities for advancement.

Under this Plan, qualified workers are able to receive assistance in the form of up front payment to licensed or accredited schools such as colleges, universities, proprietary schools or vocational institutions. The Plan will permit workers to select virtually any type of vocational training or education, for their situation and goals, subjects to approval by Delphi Electronics & Safety.

### TUITION ASSISTANCE PLAN FOR LAID OFF WORKERS

#### Eligibility

The participant must be a represented Delphi Electronics & Safety worker on indefinite layoff, who has recall or rehire rights under the terms of the current Agreement, and who had at least one year seniority as of the last day worked prior to layoff.

#### Courses

Suitable courses are those required for adult basic education, high school completion or high school equivalency certification,

university, college, business, trade or vocational school courses or adult education classes.

#### Schools

Acceptable schools are those approved by Delphi Electronics & Safety including, but not limited to those generally recognized by accrediting agencies, or under governmental education agencies.

#### Type of Assistance

The Plan will provide for tuition and fees to be paid directly to the schools providing the course in which the applicants are enrolled. There shall be no duplication of tuition fees already covered by other state or federal education assistance plans or programs. Maximum eligibility under this Plan is \$8400 of tuition assistance while on indefinite layoff. Eligibility is established by seniority as of last day worked prior to layoff as follows:

#### SENIORITY AS OF DATE OF LAYOFF

*	1 to 3 Years	<u>\$6400</u>
*	3 to 4 Years	<u>\$7400</u>
*	4 Years or more	<u>\$8400</u>

The above specified amounts shall constitute an account upon which the worker may draw so long as the individual retains recall or rehire rights while on indefinite layoff. Certain changes in employment status will affect eligibility. If recall or rehire rights are lost under the terms of the Agreement, or full-time employment is accepted that would pay wages comparable to those on the former job at Delphi Electronics & Safety, or if similar training programs are provided by a new employer, eligibility will cease. Continued eligibility will depend upon satisfactory completion of courses in which the employee has enrolled and compliance with other provisions of the Plan. In no event shall total assistance to an employee exceed \$8400 in any four calendar year period.

## TUITION ASSISTANCE PLAN FOR ACTIVE WORKERS

### Eligibility

The participant must be a represented Delphi Electronics & Safety worker on the active employment rolls or on temporary layoff with seniority under the terms of the current Agreement. Also included are union officials on leave under the provisions of Paragraph 66 who are functioning in positions at Delphi Electronics & Safety. Additionally, the spouse or dependent children of a deceased, active employee will be entitled to:

### Spouse

- Utilize the remaining balance of the employee's current Tuition Assistance eligibility (excluding any advance payment) for college or educational pursuits during a period equal to the length of the present Agreement following the date of the employee's death.
- A one-time payment up to a maximum of \$300 of the remaining balance may be used for jointly approved financial counseling.

The benefit is not to exceed the maximum annual benefit allowed in each year following the employee's date of death.

### Dependent Children

In the event that the decedent's spouse does not use this benefit, the dependent children of a deceased, active employee will be entitled to:

- Utilize the remaining balance of the employee's current year's Tuition Assistance eligibility (excluding any advance payment) for college or educational pursuits during a period equal to the length of the present Agreement following the date of the employee's death.

#### Type of Assistance

The Plan will provide for tuition and/or compulsory fees to be paid directly to the schools providing the course in which the applicants are enrolled. There shall be no duplication of tuition or fees already covered by state or federal education assistance plans or programs. The following courses shall entitle individuals to those benefit levels specified below:

\$4,600 per year for courses at regionally accredited colleges or universities of which \$100.00 may be used for the purchase of books.

#### Advance Payment

Employees enrolled in college degree programs through accredited institutions, who exhaust their current year tuition eligibility, may utilize up to \$1000 of the following year's eligibility to cover the present or next semester eligible expenses. This advance payment is provided only in conjunction with courses or universities on a semester or quarterly basis and is not available for job related or personal enhancement classes. Advance payment of up to \$1000 will occur automatically when the employee's request for tuition assistance exceeds the current year eligibility.

Advance payment is not available in the last calendar year of Agreement, and does not expand total tuition assistance eligibility over the life of the present Agreement.

\$2,200 per year for other job related courses

\$1450 per year for courses not related to the employees current job assignment through acceptable schools including those accredited by recognized accreditation agencies, those approved by Government Education or Training Programs, or certain specified others.



In no event shall the total of assistance to an employee exceed \$5,600 in a twelve month period. All courses are subject to approval by Delphi Electronics & Safety.

#### Administration

The Plan will be administered by Delphi Electronics & Safety. The Union will be notified of changes in the administration of this plan.

District 10 International  
Association of  
Machinists, AFL-CIO

Delphi Electronics & Safety  
Milwaukee Operations  
Delphi Corporation

D. Bigalke, Business Rep.  
J. Curry, Shop Chairperson  
S. Winski  
F. Goertz

T. Wilimitis  
M. Overland

This Agreement entered into this 22nd day of December, 2003,  
between Delphi Electronics & Safety, Milwaukee Operations,  
Delphi Corporation, hereinafter referred to as Management, and  
District 10 of the International Association of Machinists,  
hereinafter referred to as the Union.

The base rates listed herein shall be effective in accordance with  
Paragraphs 79(a), 80(d) and 80(e) of the Agreement.

#### I. HIRING RATES

- A. Employees will be hired at 20¢ below the top rate of the  
classification. Upon acquiring seniority they will  
advance to the top of the rate.
- B. Seniority employees, upon recall from layoff, will be  
treated in the same manner as transferred employees in  
the establishment of their rate, as outlined in the  
applicable paragraph below.
- C. Upon graduation, an apprentice will receive an increase,  
if retained, to the midpoint of the rate range for the  
skilled classification to which they are assigned. Such  
employee will be paid the rate of the classification after  
working as a journeyman for ninety (90) days.

#### II. RATES FOR TRANSFERRED EMPLOYEES

##### A. Transfer to a Higher Rated Classification

When an employee is transferred to a higher rated  
classification, he/she will be transferred at their current  
rate or the hiring rate of the new classification,  
whichever is higher.

##### B. Transfer to an Equal or Lower Rated Classification

Any employee who is transferred to a classification having the same or a lower rate, the employee's rate will remain the same or be set at the maximum rate for the classification, whichever is lower.

### III. GENERAL PROVISIONS

All increases or decreases in rate shall be made effective at the beginning of the pay period (Monday), provided the employee has actually been transferred to the new classification on or before that date.

CLASSIFICATION	12/7/03	9/19/05	9/18/06	
Grinder, Precision-Tool Room	29.72	30.32	31.24	min.
	29.92	30.52	31.44	max.
Inspector, Optics Instrumentation	29.97	30.57	31.49	min.
	30.17	30.77	31.69	max.
Inspector, Tool, Die & Fixture	29.80	30.40	31.32	min.
	30.00	30.60	31.52	max.
Machinist, Die Miller	29.80	30.40	31.32	min.
	30.00	30.60	31.52	max.
Machinist, Jig Bore	29.80	30.40	31.32	min.
	30.00	30.60	31.52	max.
Machinist, Machine Repair	29.70	30.30	31.22	min.
	29.90	30.50	31.42	max.
Machinist, Tool Room	29.56	30.16	31.07	min.
	29.76	30.36	31.27	max.
Millwright	29.40	29.99	29.90	min.
	29.60	30.19	31.10	max.
Product Builder - Experimental	29.97	30.57	31.49	min.
	30.17	30.77	31.69	max.
Tool & Die Maker	29.80	30.40	31.32	min.
	30.00	30.60	31.52	max.

This Agreement shall run concurrently and will be subject to the terminal provisions of the Collective Bargaining Agreement.

District 10 International  
Association of  
Machinists, AFL-CIO

Delphi Electronics & Safety  
Milwaukee Operations  
Delphi Corporation

D. Bigalke, Business Rep.  
J. Curry, Shop Chairperson  
S. Winski  
F. Goertz

T. Wilimitis  
M. Overland

## APPRENTICE AGREEMENT

I. This Agreement entered into this 22nd day of December, 2003, between Delphi Electronics & Safety, Milwaukee Operations, Delphi Corporation, hereinafter referred to as Management, and District 10 of the International Association of Machinists, hereinafter referred to as the Union.

### II. PURPOSE

The purpose of the Apprenticeship Program is to train individuals in skilled trade classifications in the bargaining unit. The object of offering such training is to provide individuals who are thoroughly versed in the methods and skills required in the plant, and to make it possible for those so inclined to obtain training in their chosen field. The course of training is offered subject to the limitations as imposed by Federal and State laws governing the employment of minors and indentured apprentices.

### III. REQUIREMENTS FOR ADMISSION

In order to be considered for selection as an apprentice, applicants must satisfy the established age and educational requirements of the program. Individuals are formally considered only if they:

1. Are at least age 18 (or otherwise consistent with applicable State and Federal Laws), and
2.
  - (a) Are high school graduates; or
  - (b) Have an equivalent education (such as GED certification); or
  - (c) If they are not high school graduates and do not have an equivalent education, they must demonstrate a level of reading comprehension indicative of their ability to

perform successfully in apprentice-related training by achieving a satisfactory score on the Skilled Trades Reading Comprehension component of the Apprentice Selection Test.

Apprentices will be jointly selected in accordance with the Delphi Electronics & Safety Apprentice Selection Program which will be administered by the Delphi Electronics & Safety - IAM Local Apprenticeship Committee.

#### IV. NUMBER OF APPRENTICES

The number of apprentices in a particular trade shall not exceed the ratio of one (1) apprentice to ten (10) Journeymen/women in the occupation for which the apprentice is indentured, unless otherwise agreed to between Management and the Union.

#### V. LENGTH OF TRAINING PROGRAM

The apprenticeship course is nominally four (4) or five (5) years in length, but is based on the number of hours actually worked, the four (4) year course being divided into eight (8) periods of nine hundred sixteen (916) hours each, for a total of seven thousand three hundred twenty-eight (7,328) hours of shop work. The five (5) year course is divided into ten (10) periods of nine hundred sixteen (916) hours each, for a total of nine thousand one hundred sixty (9,160) hours of shop work. In addition, the apprentice must take the required related academic training. The first six (6) months (916) hours of the apprenticeship course is a probationary period.

#### VI. RELATED TRAINING

Each apprentice shall be required during the period of apprenticeship to complete a program of related and supplemental classroom instruction not to exceed six hundred seventy-two (672) hours during the four (4) year training course, or eight hundred forty (840) hours for the five (5) year apprenticeship.

Time spent by the apprentice in connection with related training shall not be considered as time worked under this Agreement; nevertheless, time spent by the apprentice in taking required related and supplemental classroom training shall be paid for at the apprentice's straight time hourly rate, not to exceed the maximum number of hours stated above.

Whether related training shall be conducted by Local Management or through a local educational institution, or otherwise, shall be determined by Management in light of prevailing circumstances in the community. Management will notify and discuss this matter with the Local Apprentice Committee. However, the final determination will remain the responsibility of Management.

Management agrees to pay on behalf of apprentices covered by this Agreement, registration fees and/or tuition the apprentice is required to and does incur in connection with the related training under the Apprentice Program, but not to exceed 672 hours of related training.

## VII. SUPERVISION OF APPRENTICES

The overall responsibility of the Apprenticeship Training Program will be under the direction and coordination of the Training Department of the Personnel Division. During periods of required related and classroom instruction the apprentice will be under the supervision of the Training Department.

The training of apprentices in the shop will be the responsibility of supervision of the area to where they are assigned, and the work assignments of each apprentice will be made by supervision in line with the established Apprentice Schedule of Shop Training. In addition, it is recognized that the Journeyman/ woman skilled tradesman/woman plays an important role in the training of apprentices, and they will cooperate in every practical way to assist in the training of apprentices.

### VIII. CREDIT FOR PREVIOUS EXPERIENCE

An apprentice who has had previous experience while in military service or elsewhere comparable to requirements of incomplete portions of the Shop Training Schedule, may be given credit for such training toward completion of the apprenticeship upon submission of proper evidence of such training, and provided the apprentice can demonstrate progress.

The final determination of whether such credit shall be granted rests solely with Management.

### IX. TOOLS

As soon as practicable after being placed in an apprentice group, the apprentice will be furnished with a tool box, which will become property of the apprentice upon graduation.

At the same time and also upon satisfactory completion of the first period of 916 hours of work the apprentice will be paid an allowance of \$200.00 for the purchase of tools, books and supplies. Upon satisfactory completion of the second, third, fourth, fifth, sixth, and seventh periods of 916 hours of work in the apprentice program, the apprentice will be paid \$100.00 for the purchase of tools, books and supplies. Management will assist the apprentice in obtaining tools. Upon completion of all shop and related training requirements and graduation, the apprentice will receive the balance, if any, of the total allowance of \$1200.00 including credit granted for prior experience pursuant to Paragraph VIII less any such payments previously received.

### X. SHOP SCHEDULE

The apprentice will serve through a sequence of operations as indicated in the established Apprentice Schedule of Shop Training. These are designed to give the apprentice training in all essential phases of a particular trade, and will be adhered to unless local conditions and/or the progress of the apprentice



requires deviation. Each standard schedule indicates the apprentice's number of hours to be completed on each assignment.

Optional hours are provided in each schedule and normally will be used as follows:

1. To give additional training on operations over and above those designated in the Shop Training Schedule, and/or
2. To give training in related phases of the trade not specifically designated in the Shop Training Schedule but normally required of Journeymen/women.

#### XI. SHOP TRAINING RECORDS AND PROGRESS REPORTS

Each apprentice shall be given the opportunity of working in various phases of the trade as set forth in the Shop Training Schedule. A permanent record will be kept of the number of hours spent in each phase to insure that the apprentice receives the requirements of the schedule, as near as possible. Copies of this record for each apprentice will be furnished to the Union Apprentice Representative.

Accordingly, each apprentice will be rated at least once a month pertaining to such job performance characteristics as:

1. Attendance
2. Punctuality
3. Safety
4. Interest
5. Initiative
6. Conduct
7. Quality of Work
8. Quantity of Work

These appraisals of job performance characteristics shall be retained as a permanent record. It is recognized that it is

essential that the apprentice maintain a satisfactory record with regard to performance in the shop and the required related and classroom instructions. Failure to perform satisfactorily shall be considered as sufficient grounds to dismiss an apprentice from the Training Program.

## XII. SENIORITY

An apprentice entering the apprenticeship Training Program shall be considered as a probationary employee for the first nine hundred sixteen (916) hours under the Shop Training Schedule.

Each apprentice classification in the Apprenticeship Program shall be a separate occupation group. Apprentice's seniority shall be by occupational group.

When the apprentice graduates from the training program, credit shall be given for all time spent in the Apprenticeship Program in establishing a seniority date in the classification of the skilled trades occupational group. In the event of layoff of Journeymen/women, apprentices shall be laid off in accordance with the same ratio under which they were indentured.

## XIII. APPRENTICE RATE SCHEDULE

The straight time hourly wage rates (exclusive of cost of living and shift premium) for the apprentices shall be in accordance with the following tables:

(Effective December 22, 2003)

Apprentice Training Period	Hourly Rate*
1 <sup>st</sup> 916 Hours	<u>\$25.03</u>
2 <sup>nd</sup> 916 Hours	<u>\$25.19</u>
3 <sup>rd</sup> 916 Hours	<u>\$25.19</u> plus 9% of "Rate Difference"
4 <sup>th</sup> 916 Hours	<u>\$25.19</u> plus 20% of "Rate Difference"
5 <sup>th</sup> 916 Hours	<u>\$25.19</u> plus 33% of "Rate Difference"
6 <sup>th</sup> 916 Hours	<u>\$25.19</u> plus 48% of "Rate Difference"
7 <sup>th</sup> 916 Hours	<u>\$25.19</u> plus 66% of "Rate Difference"
8 <sup>th</sup> 916 Hours	<u>\$25.19</u> plus 86% of "Rate Difference"

\*The "Rate Difference" shall be determined by subtracting the sum of \$.20 and the Hourly Rate for the 2<sup>nd</sup> 916 Hours from the maximum rate established in the Wage Agreement for the journeyman/woman classification for which the apprentice is in training. Resultant rates shall be rounded to the nearest 1 cent.

#### XIV. APPRENTICESHIP COMMITTEE

The Apprenticeship Committee shall consist of two representatives of Management and two (2) representatives of the Union, who shall be Journeymen/women in the trades in which apprentices are indentured and shall be employees in the plant.

The Apprenticeship Committee shall meet with Management at a mutually agreed upon time, but not more frequently than once each thirty (30) days. Apprentice representatives of the Union will be paid their regular rate of pay for time spent in Apprenticeship Committee meetings for hours they would otherwise have worked in the plant. Minutes of such meetings will be furnished to the Union by Management.

The duties of the Apprenticeship Committee shall be as follows:

1. To negotiate with Local Management on issues involving the effect of the employment of apprentices and the employment of Journeymen in the trades involved.
2. To study and recommend to Management other matters that may involve the training of apprentices by Journeymen/women in the shop, and the proper application of Shop Training Schedules.
3. Progress reports of the apprentice's Shop Training Schedule may be reviewed in meetings of the Apprenticeship Committee with Management, but no individual apprentice's record will be reviewed more frequently than once each six (6) months.

#### XV. GRIEVANCES

Grievances filed by apprentices will be handled under the Representation and Grievance Procedure Sections of the Agreement.

#### XVI.

This Agreement shall be concurrent with, and subject to, the termination provisions of the Agreement between Delphi Electronics & Safety, Milwaukee Operations, Delphi Corporation and District No. 10, International Association of Machinists, dated this 22<sup>nd</sup> day of December, 2003.

District 10 International  
Association of  
Machinists, AFL-CIO

Delphi Electronics & Safety  
Milwaukee Operations  
Delphi Corporation

D. Bigalke, Business Rep.  
J. Curry, Shop Chairperson  
S. Winski  
F. Goertz

T. Wilimitis  
M. Overland

December 22, 2003

Mr. Dan Bigalke  
Business Representative  
IAM Tool and Die Lodge #78  
1650 South 38<sup>th</sup> Street  
Milwaukee, WI 53215

SUBJECT: SUBCONTRACTING DISCUSSIONS

Dear Dan:

In recognition of the Union's concerns expressed in these negotiations concerning subcontracting, the following Statement of Management's policy is provided:

"It is the policy of the General Motors Corporation to perform maintenance work with its own employees provided it has the manpower, skills, equipment and facilities to do so and can do the work competitively in quality, cost and performance and within the projected time limits. At times the Corporation does not deem advisable doing the work itself, and it must, as in the past, reserve to itself the right to decide whether it will do any particular work or let the work to outside contracts. On occasion, it is necessary for maintenance or construction work to be contracted to an outside firm rather than being performed by Delco employees. Similarly, warranty or service contracts are frequently secured on new equipment. This letter is not to be regarded as impairing that right in any way.

The Corporation hereby assures the Union that it has no plans to change its policy and that it expects to continue its general operating policy of placing primary reliance on its own skilled trades employees to perform maintenance work to the extent consistent with sound business practices, as in the past.

The Corporation is genuinely interested in maintaining maximum employment opportunities for its skilled trades employees consistent with the needs of the Corporation. Therefore, in making these determinations, the Corporation intends always to keep the interests of General Motors' personnel in mind."

During the 1984 Negotiations, the Union expressed its concern that it is not always advised that work has been subcontracted, particularly, if service contracts are obtained. Management recognizes the Union's concerns especially in the area of service and contracts regarding the communication of possible subcontracting. It can readily understand that advance information about such activity can answer many questions that may exist in the employees' minds. It can also greatly reduce tensions that may be created as the result of the presence of subcontractors in the plant. While the Union has normally been advised of subcontracting projects in advance, this has not been the case with service contracts. Management intends to advise the Union of subcontracting projects or service contracts prior to the work beginning. Such communication will normally take place prior to the work actually being contracted out if it appears that this discussion could provide alternatives to the contracting out of the work. An explanation of the nature, scope, and approximate dates of the work to be performed and the reason why Management is considering contracting the work out will be provided.

Very truly yours,

Timothy A. Wilimitis  
Manager, Labor Relations  
Delphi Electronics & Safety  
Milwaukee Operations

December 22, 2003

Mr. Dan Bigalke  
Business Representative  
IAM Tool and Die Lodge #78  
1650 South 38<sup>th</sup> Street  
Milwaukee, WI 53215

SUBJECT: SUBCONTRACTING

Dear Dan:

The following is the test of the written and published policy of Delco Electronics - Milwaukee Operations regarding subcontracting"

"July 23, 1987

During our recent discussions with the Union concerning subcontracting issues, the Union continued to point out areas where Management had not adhered to the provisions of our labor agreements. In particular, it referred to Management's failure to provide timely advance notification of potential subcontracting and/or failure to conduct meaningful discussions that could eliminate the necessity of having maintenance or construction work performed by outside sources.

Delco Electronics has assured the Union of its intention to provide its skilled employees with the first opportunity to perform maintenance or construction work. In order to meet this commitment, it is essential that ALL individuals responsible for generating potential subcontracting projects fully understand and comply with our obligations under the Agreement. NO work will be subcontracted to outside firms unless the proper procedures have been followed.

The following guidelines are provided to clarify Management's obligation and intentions. Please review them and take the necessary action to assure compliance. If you need additional information or clarification, contact the Labor Relations Department on extension 2045.

Peter Hossenlopp  
Manager Milwaukee Operations

PMH:js

#### Attachment

1. Advance discussions with the appropriate Union representatives WILL take place when subcontracting is being CONTEMPLATED. This MUST take place before an actual decision is made or contract has been signed.
2. Information needed to hold meaningful discussions with the Union MUST be provided to the Maintenance Department Superintendent or Test Equipment/Tool Room Superintendent as soon as possible. It must provide sufficient detail so that the nature, scope, and approximate dates the work is to be performed are defined. The affected trades must be identified as well as the reason why contracting out is being CONTEMPLATED.
3. Management intends to provide the Union with ample time to evaluate the project and make suggestions to supervision on methods of retaining the work in plant. Discussion should take place as soon as possible to avoid delaying decisions while such evaluation is in process.
4. No purchase order will be placed by the Purchasing Department on any work to be subcontracted until such meaningful discussion with the affected Unions has occurred."



December 22, 2003

Mr. Dan Bigalke  
Business Representative  
IAM Tool and Die Lodge #78  
1650 South 38<sup>th</sup> Street  
Milwaukee, WI 53215

SUBJECT: TRAINING

Dear Dan:

During the 1984 Negotiations, the Union expressed its deep concern that it was not receiving equitable treatment to that General Motors afforded the UAW in the area of training. Specifically, it referred to Management's unwillingness to establish a joint training fund, funded by cent-per-hours worked contributions with expenditures being jointly determined.

While Management recognizes that a training fund of the type negotiated with the UAW represents a financial commitment to employee training, it consistently has stated its belief that such a fund would not provide substantial benefits to the Union because of the minimal number of employees. The "fund" would grow slowly and could easily be depleted by training of short duration or involving only a few employees. The Union has acknowledged these administrative shortcomings.

As an alternative, Management provides this statement of its commitment to employee training. It assures the Union that it has, in the past, and intends to continue, to budget funds for training represented employees. This budgeted amount exceeds the amount of money that would be accumulated in a training fund. If necessary, Management is prepared to exceed even this budgeted amount to provide employees with required job related skills. Training may consist of on-the-job cross training provided by other tradesmen, equipment maintenance familiarization, training

on specific pieces of processing test equipment or classroom or other types of theoretical, basic concepts, new technology, etc., subjects that may be appropriate or necessary for the development of a proficient maintenance work force.

In order to assure that training dollars are spent in the most practical, productive manner, a Training Committee will be established. One employee from both the Tool Room (Department 424) and one employee from the Maintenance Department (493) as well as a Management representative from both Departments 424 and 493 make up this committee which will meet regularly to determine training needs, consider most effective methods of conducting the training and, if necessary, initiate the development or procurement of training equipment or programs. It will make recommendations on the feasibility and necessity of providing on-the-job training or making conveniently available training to be taken on the employee's own time to supplement the Tuition Assistance Program, on subjects such as software, new technology, testing and manufacturing methods, automation and robotics, hydraulic, pneumatics, CAD/CAM industrial truck repair and maintenance, auto mechanics, understanding introductory and advanced welding processes, etc.

Management is committed to providing the members of the Training Committee with the necessary time to conduct meaningful meetings. The Committee may jointly determine that obtaining inputs individually from the members is necessary and appropriate time will be provided for such activity.

In addition and in view of the parties' interest in affording maximum opportunity for employees to progress with advancing technology, the parties shall seek to identify appropriate specialized training programs so that employees will be capable of performing new or changed work normally performed by represented personnel. In addition, QNPM initiatives should be integral subjects for these discussions.

The activity of this committee will be closely monitored by the parties. The Shop Committee and Labor Relations will meet at six month intervals, as long as necessary, to assure that the Union's concerns that necessary training is not being provided are being addressed and identify the appropriate method of resolving any problems. The Training Coordinator will also be available to provide assistance to the Committee, if necessary.

Very truly yours,

Timothy A. Wilimitis  
Manager, Labor Relations  
Delphi Electronics & Safety  
Milwaukee Operations

December 22, 2003

Mr. Dan Bigalke  
Business Representative  
IAM Tool and Die Lodge #78  
1650 South 38<sup>th</sup> Street  
Milwaukee, WI 53215

SUBJECT: MAXIMUM PRODUCT DISCOUNT

Dear Dan:

This is to confirm our discussions during negotiations concerning the purchase of new vehicles. The rebate plan formerly in effect has been canceled. In its place, a Maximum Product Discount Plan has been made available for hourly rate employees. As we stated during negotiations, members of your bargaining unit are eligible to purchase new current model General Motors vehicles under this program. These provisions have been applied retroactive to the date that this program was established by UAW represented Corporation employees.

The specific eligibility requirements and procedures have already been communicated to members of your bargaining unit. This program will continue to be in force as long as it is made available to UAW represented employees.

Very truly yours,

Timothy A. Wilimitis  
Manager, Labor Relations  
Delphi Electronics & Safety  
Milwaukee Operations

As in the case of other unfair employment practices, if you believe you have been subjected to sexual harassment, you may bring your concerns to the attention of either your immediate supervisor, personnel director representative, or union representative or you may utilize appropriate and existing internal complaint procedures."

Delphi Electronics & Safety and the IAM are in agreement that complaints of sexual harassment should be dealt with promptly and fairly under existing internal procedures as provided under Paragraph (27) of the Agreement.

Very truly yours,

Timothy A. Wilimitis  
Manager, Labor Relations  
Delphi Electronics & Safety  
Milwaukee Operations

December 22, 2003

Mr. Dan Bigalke  
Business Representative, IAM Tool and Die Lodge #78  
1650 South 38<sup>th</sup> Street, Milwaukee, WI 53215

SUBJECT: UNION AND MANAGEMENT INITIATIVES

Dear Dan:

During these negotiations, the parties discussed the challenges in the marketplace from both foreign and domestic competitors. There is mutual recognition that these challenges require a fundamental change to maximize the potential of our human resources. This change can occur only by building on our current efforts and by fostering a spirit of cooperation and mutual dedication that will permit the full development of the skills of our people and meaningful involvement in the decision-making process. Success in these endeavors benefits all of the parties: The IAM through a strong and viable membership; the employees through job satisfaction and job security; and the Corporation through achieving its goal of becoming a world class competitor.

The parties agree that in order to make constructive progress in this regard, there is a need to reach common understanding to establish a facilitating mechanism to assure that the various efforts related to changes in the work environment are appropriately and effectively administered.

Furthermore, decisions must be arrived at in a setting which is characterized by the parties working together in an atmosphere of trust; making mutual decisions at all levels which respect the concerns and interests of the parties involved; sharing responsibility for the problem solving process; and sharing the rewards of achieving common goals.

Timothy A. Wilimitis  
Manager, Labor Relations  
Delphi Electronics & Safety  
Milwaukee Operations

December 22, 2003

Mr. Dan Bigalke  
Business Representative  
IAM Tool and Die Lodge #78  
1650 South 38<sup>th</sup> Street  
Milwaukee, WI 53215

SUBJECT: SALE OF OPERATION

Dear Dan:

During these Negotiations, the Union requested that Management agree that any sale of an operation as an ongoing business would require the buyer to assume the current Delco Electronics-Milwaukee Operations-IAM Lodge 78 Collective Bargaining Agreement. Delco Electronics agreed to do so in the case of any such sale during the term of the current Agreement.

Very truly yours,

Timothy A. Wilimitis  
Manager, Labor Relations  
Delphi Electronics & Safety  
Milwaukee Operations

December 22, 2003

Mr. Dan Bigalke  
Business Representative  
IAM Tool and Die Lodge #78  
1650 South 38<sup>th</sup> Street  
Milwaukee, WI 53215

SUBJECT: VACATION PAY ENTITLEMENT

Dear Dan:

This letter confirms our understanding that notwithstanding the actual contract language of paragraph 70, the percentage of gross earnings calculation method for vacation pay will be used for calendar years 2004, 2005, 2006, and 2007 for current IAM members. The provisions of paragraph 70 will be applicable to any employees hired after January 1, 2004.

However, the parties have agreed that imputed income, Tuition Assistance or Dependent Scholarship Program payments, Disability Benefit payments, Profit Sharing payments, ISP contributions, and GIS Benefits are not included as gross earnings, in making the calculations in the future.

Very truly yours,

Timothy A. Wilimitis  
Manager, Labor Relations  
Delphi Electronics & Safety  
Milwaukee Operations



December 22, 2003

Mr. Dan Bigalke  
Business Representative  
IAM Tool and Die Lodge #78  
1650 South 38<sup>th</sup> Street  
Milwaukee, WI 53215

SUBJECT: WORKING ON A HOLIDAY/VACATION  
ENTITLEMENT CONVERSION OPTION

Dear Dan:

During the negotiations, the parties agreed that employees who work on a designated holiday, and are otherwise eligible for holiday pay, may request that eight (8) hours be credited to their Vacation Entitlement Allowance, in lieu of receiving holiday pay.

Eligible employees who work on any designated Christmas Period Holiday, may request that eight (8) hours for each day worked be credited to their Vacation Entitlement Allowance, in lieu of receiving holiday pay. Additional time off resulting from the Christmas Holiday Period may be utilized, per local plant practice, at any time during the following year prior to the next Christmas Holiday Period.

To provide sufficient time for administration, the employees must submit their request in writing no later than the Friday of the week in which the holiday occurs.

Very truly yours,

Timothy A. Wilimitis  
Manager, Labor Relations  
Delphi Electronics & Safety  
Milwaukee Operations

December 22, 2003

Mr. Dan Bigalke  
Business Representative  
IAM Tool and Die Lodge #78  
1650 South 38<sup>th</sup> Street  
Milwaukee, WI 53215

SUBJECT: UP-FRONT LUMP SUM PAYMENT

Dear Dan:

During the current negotiations, the parties agreed to provide an up-front lump sum payment of \$3,000 to each eligible employee. Eligible employees who are represented by the Union are defined as those whose status with Delphi Electronics & Safety on the effective date of this Agreement is one of the following:

Active

On temporary layoff status;

On one of the following leaves of absence not greater than ninety (90) days:

- Informal (Paragraph 63)
- Formal (Paragraph 64a)
- Sickness and Accident (Paragraph 65)
- Pursuant to Family and Medical Leave Act
- Military (Paragraph 69)

Very truly yours,

Timothy A. Wilimitis  
Manager, Labor Relations  
Delphi Electronics & Safety  
Milwaukee Operations

December 22, 2003

Mr. Dan Bigalke  
Business Representative  
IAM Tool and Die Lodge #78  
1650 South 38<sup>th</sup> Street  
Milwaukee, WI 53215

SUBJECT: SCHOLARSHIP PROGRAM FOR  
DEPENDENT CHILDREN

Dear Dan:

During these Negotiations the parties agreed that the continuing education of school-aged dependent children was important. As a result, the parties have agreed to continue the DELPHI-IAM Scholarship Program.

This program will be administered by the Training Department. Necessary administrative guidelines will be established to deliver the program and communicated to the Union. Modifications may be implemented by Management if required.

The Program will be administered based on the following parameters:

- Eligibility: Dependent children of active IAM represented employees who are pursuing post-secondary education or training at an institution accredited by a governmental or nationally recognized agency are eligible to apply for continuing education support. No IAM represented employee's dependent will be eligible to receive a scholarship under this program, if they receive a scholarship under another Delphi or Delphi Electronics & Safety program or policy.

December 22, 2003

Mr. Dan Bigalke  
Business Representative  
IAM Tool and Die Lodge #78  
1650 South 38<sup>th</sup> Street  
Milwaukee, WI 53215

SUBJECT: PLANT CLOSING AND SALE MORATORIUM

Dear Dan:

In the collective bargaining between Delphi Automotive Systems and the UAW International Union, Management agreed that during the term of the new Collective Bargaining Agreement, until 2007, it will not close, nor partially or wholly sell, spin-off, split-off consolidate, or otherwise dispose of in any form, any plant, asset, or business unit of any type, beyond those that have already been identified, constituting a bargaining unit under the Agreement.

Further, it is also understood that conditions may arise that are beyond the control of the Company, such as acts of God, that make compliance with this commitment impossible. Should such conditions occur, the Company will review both the conditions and their impact on the plant, with the Union.

Should it be necessary to close the plant, Management will contact the appropriate Corporate representatives to identify potential methods of attempting to redeploy employees to other locations, consistent with the provisions of any other collective bargaining agreements.

Very truly yours,

Timothy A. Wilimitis  
Manager, Labor Relations  
Delphi Electronics & Safety  
Milwaukee Operations

December 22, 2003

Mr. Dan Bigalke  
Business Representative  
IAM Tool and Die Lodge #78  
1650 South 38<sup>th</sup> Street  
Milwaukee, WI 53215

SUBJECT: NORMAL WARRANTY

Dear Dan:

With regard to the duration of "normal warranty" the parties acknowledge that in the past a normal warranty on many items has been for only ninety (90) days. However, most of the complex pieces of equipment that we acquire had longer warranty periods since most manufacturers of this type of equipment offer longer normal warranties than in the past.

In any event, the Company recognizes its responsibility to advise the Union of the type and duration of warranty work. This subject will be treated in a similar manner to service contracts, as referenced in the letter on Subcontracting. Upon the conclusion of these Negotiations, the Labor Relations department will remind the appropriate Management representatives of this obligation and provide specific direction to review with the Union any current warranties on equipment in the plant that exceed ninety (90) days. It is recognized that the Union has the right to pursue alleged abuses of these understandings through the Grievance Procedure, if they consider it appropriate.

Very truly yours,

Timothy A. Wilimitis  
Manager, Labor Relations  
Delphi Electronics & Safety  
Milwaukee Operations

